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ABSTRACT

Featuring real-life examples that show economic principles at work, this document contains teaching units which are designed to supplement basic economics and consumer education textbooks in social studies, home economics, and business education classes. Written for grades 9-12, and adaptable for grades 7-8, the materials bring economic principles to life by presenting case studies of real business activities. Each unit contains all necessary materials for the activities, including overheads and student worksheets. Units are designed for use in one or two class periods, and can be used independently or in conjunction with others. Unit 1 introduces students to the dynamics of exchange in a market economy. Students learn the principles of choice, utility, scarcity, supply, demand, and exchange in activities featuring barter, currency, and auctions. Unit 2 uses a case study of Head & Shoulders shampoo to highlight the consumers role in bringing a product to market. Students conduct a market research study and examine the implications of their findings. Unit 3 helps students understand why businesses must continually assess and respond to consumer's needs and wants. Unit 4 features a simulation activity in which students become board members of a major corporation and deal with market research, product research and development, test markets, product costs, pricing, and profit. Unit 5 offers a variety of activities to help students learn about the role of advertising. For example, they explore and evaluate the advertising methods used to promote Crest toothpaste since its introduction in 1956. (GEA)

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PROCTER & GAMBLE

Insights

INTO ECONOMICS

Marketing and Advertising

SO019689

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Preface

All of us are consumers. As consumers we use economics everyday, even if we aren't aware we are doing so. As one of the country's leading producers of consumer products, Procter & Gamble has a real interest in helping consumers make informed decisions as they choose what products to buy.

Educators have often asked Procter & Gamble for "real examples" to use in the classroom. That's what **Insights into Economics** is — a series of real-life examples from our Company that help bring economic concepts to life in the classroom. These are true stories based on actual facts from Procter & Gamble that are designed to supplement basic economics and consumer education textbooks.

This first series of **Insights**, "Marketing and Advertising," is the result of on-going collaborative efforts between educators and business. **Dr. Robert Reinke**, Associate Professor of Economics at the University of South Dakota and Director of its Center for Economic Education, was instrumental in developing the model for these materials. As our overall author, he provided the creative and strategic direction for Insights. **Robert Tomback**, Assistant Principal in the Baltimore County, Maryland, School District, provided invaluable help by writing the clearly defined teaching strategies and developing the specific classroom activities.

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We hope you enjoy using **Insights** in your economics and consumer education classes.

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Introduction

Insights into Economics is a series of teaching units featuring real-life examples that show economic principles at work. The units are designed to supplement basic economics and consumer education textbooks in social studies, home economics and business education classes. The materials are written for grades 9-12 and can easily be adapted for use in grades 7-8. The objective of the **Insights** series is to bring economic principles to life by presenting case studies of real business activities which show how these principles work in the business world. The materials rely heavily on Procter & Gamble's experiences. Many of the activities encourage students to use problem-solving and critical thinking skills in real-life situations.

This series of **Insights** offers five units focused on marketing and advertising. Each unit contains all information needed for the activities. Units can be used independently or in conjunction with others. Teachers who tested the materials stated that the flexibility of use and variety of activities contained in each unit were especially useful. Each unit is designed for use in one or two class periods and adaptable for all ability levels. The five units include:

Unit One

Exchange

This unit introduces students to the dynamics of exchange in a market economy. "Hands-on" activities feature barter, currency and an auction as types of exchange. Students learn the principles of choice, utility, scarcity, supply, demand and exchange as they engage in stimulating classroom economic activities.

Unit Two

The Marketing Cycle and the Consumer

This unit uses a case study of Head & Shoulders shampoo to highlight the consumer's role in bringing a product to market. The key role of consumers is seen as the functions of market research, product research and development, manufacturing and distribution, and advertising and promotion are described. Students also conduct a market research survey of their own and examine the implications of their findings.

Unit Three

Responding to the Changing Marketplace

Unit Three helps students understand why businesses must continually assess and respond to consumers' needs and wants. A case study on Tide detergent helps students see how innovations, changing technology and changing consumer needs, wants, and lifestyles impact on products in the marketplace.

Unit Four

Bringing a New Product to the Marketplace: Solving the Pricing Problem

This unit features a simulation activity in which students become members of the Board of Directors of a major U.S. corporation and face a series of marketing decisions. They will reenact some of the problems Procter & Gamble encountered in bringing a new product to the marketplace. Students will deal with market research, product research and development, test markets, production costs, pricing and profit during this activity.

Unit Five

The Role of Advertising in a Market Economy

This unit offers a variety of activities to help students learn about the role of advertising. A survey and reading point out the benefits of advertising in a market economy. Students learn the factors that make ads effective by evaluating current advertising. They also: explore and evaluate the advertising methods used to promote Crest toothpaste since its introduction in 1956; consider why advertising cannot "sell" a product consumers don't want; learn how advertising is created.

Unit One

Exchange

Introduction

In this introductory unit to **Insights,** students are involved in "hands-on" experiences that help them understand the dynamics of exchange in a market economy.

Proper marketing facilitates exchange between buyers and sellers. When a voluntary exchange takes place both participants see themselves benefitting. Each person exchanges something of lesser value for something of greater value. This benefit motivates both buyers and sellers to seek exchange opportunities.

For exchanges to occur, the following conditions must be met:

1. Two or more individuals, groups or organizations must participate.

2. Each participant must possess something of value the other participant wants.

3. Each participant must be willing to give up his/her valuable item in order to receive something of value from the other participant. The objective of the exchange is to receive something that is wanted more than what is given up.

4. The participants in the exchange must be able to communicate with each other to make their items available.

This unit of the **Insights into Economics** series is designed to be completed in one class period.

Economic Concepts Covered in this Unit

Choice
Exchange
Utility
Scarcity
Supply
Demand

Objectives

Students who participate in this activity should be able to:

1. explain the conditions necessary for exchanges to be made.

2. explain the role of exchange in a market economy.

3. identify the factors consumers consider when making a purchase.

4. compare and contrast the use of barter and currency when making an exchange.

Suggested Teaching Strategies

Several variations of teaching strategies are presented here. All are designed to achieve the objectives of this lesson. Class dynamics and teacher preference should guide the choice of strategy. Teachers should feel free to "mix and match" elements presented to meet their own specific needs.

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Suggested Teaching Strategies
(continued)

Activity I

This activity helps students understand the concept of exchange through the use of barter.

1. To help students see how and why trades occur, have each bring in an item of predetermined value they would be willing to trade. You will need to establish parameters for the items brought in by students prior to beginning the activity. Several considerations are listed below:

a) Consider sending a letter to parents informing them of the nature of the activity. This will allow for parental discretion regarding the item selected by the student.

b) Establish with the students whether or not items are going to be returned to the original owner at the conclusion of the class. This will have an obvious impact on the nature of the items students choose to bring in. If items are to be returned, the teacher should keep a list of items brought by students. Another method of keeping track of items is to simply place a numbered sticker on each item and keep a corresponding numbered list with the student's name.

As alternatives to having students bring in items:

a) Provide a "grab bag" of items for students to pick from to trade.

b) Ask students to use an item they have with them for the exchange.

With these options, of course, items will be returned at the end of the activity.

2. Before conducting the first exchange round discuss the concept of barter with students. Have students demonstrate that barter meets the criteria for exchange as outlined in the introduction. They should understand that exchanging an item of lesser perceived value for one of greater perceived value increases their level of satisfaction. Delay discussion of why barter is not the most effective method of exchange in a complex economy until later in the lesson.

3. Allow two minutes for students to exchange items. At the end of this time ask:

a) Have you benefitted from the opportunity to exchange items? Why? Why not?

b) On what did you base your decision to exchange?

c) In the time given, was it possible for you to identify all the items available for trade? Why? Why not?

d) Is it likely there is still an exchange opportunity you would like to make? On what do you base your answer?

4. Tell students they will have the opportunity to exchange once more. Using their newly acquired items, students should seek exchanges that will increase their levels of satisfaction. Before the second exchange round begins, however, allow each student 30 seconds to describe the item he/she has as well as the types of items upon which they place a higher value. This market information should facilitate exchange. At the conclusion of this round, students should recognize the need for communication between buyer and seller in a market economy.

5. Allow five minutes for this exchange round. At the end of this time ask:

a) How does information about the items available help the exchange process?

b) Do you feel you are better off now than at the beginning of the second exchange round? Why? Why not?

continued on next page

Suggested Teaching Strategies
(continued)

c) On what did you base your decision to exchange?

d) Did some students choose not to exchange? Why? Why not?

e) How does exchange provide opportunities to increase your level of satisfaction?

6. It would be appropriate at this point to discuss barter as a medium of exchange. From exchange rounds one and two students should be able not only to define the term, but also to identify some of its limitations.

Activity II

This activity demonstrates how and why consumers, in an economic world of scarcity, choose to spend money on some items while choosing not to buy others.

1. In order to experience and understand the use of currency in the exchange process, have students bring in an item of a predetermined value they would be willing to "sell" (help students understand no items will actually be "sold"; the focus here is strictly on making the decision to buy). *(Please review appropriate considerations/alternative in Activity I above.)*

2. Each student should be given a supply of "money" the teacher makes or play money from a board game. Two to five "dollars" per student should be sufficient for this activity. There is no limit (except cash available) to the number of items a student "purchases" or the number of students interested in buying the same item. Students may also choose not to "buy".

3. In addition to bringing in an item, students should be prepared to advertise their item. Encourage them to make an ad, e.g., a poster or sign. Remind students their ad should include a selling price for their item. To expedite the price setting, the teacher may wish to serve as an appraiser. (In order to facilitate the exchange of "money" in this activity, prices should be rounded to the nearest dollar.) Each student should display the item and its ad on his/her desk and provide a place for "purchasers" to record their names.

4. Allow students five to ten minutes to make their "purchases." Each student/purchaser should have a sheet of paper on which to record: the item to be "purchased", its price, and the student from whom it will be purchased. No money is to be exchanged at this time. After five minutes (or after all "purchasing" decisions have been made), buyers should seek sellers and exchange currency. Remember, no items are actually exchanged in this activity. After the allotted time, ask:

a) How many students chose to "spend money" on a purchase? How many did not? Have students explain why. Engage students in a general discussion of the benefits of exchange and the power of the individual to decide to buy or not to buy.

b) How many students were able to "sell" items? How many did not sell any items? Which items were the most popular? Which were least popular? Encourage students to offer explanations as to why.

c) What factors influenced students to spend their money? How important were such factors as need, price, and status? What other factors were considered? Which items would have been more heavily purchased if the price had been lower? Which items would not have been as popular had the price been higher?

d) How did exchange provide opportunities to increase students' level of satisfaction?

e) How helpful were student ads? Did any of them influence a purchase? How does information about a product help the exchange process?

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f) What is meant by the term consumer choice? To what degree is consumer choice a factor in the marketplace?

g) How realistic was this simulation? What factors do consumers in the real marketplace consider when making decisions about what products to buy?

h) In reality, how do sellers and manufacturers of goods determine selling price? What happens if the selling price is set too high? What happens if the selling price is so low that it does not permit the seller or manufacturer to cover expenses or generate a profit?

i) Why has it been said that in a market economy, the consumer controls the marketplace?

Activity III

This activity offers students the opportunity to engage in a class auction as a demonstration of exchange.

1. To help students see how and why trades occur, have them bring in an item of predetermined value they would be willing to auction. Parameters for the items brought in by students must be established prior to the activity. *(Please review consideration/alternatives in Activity I).*

2. Each student should be given a supply of "money" made by the teacher or play money from a board game. Five to ten "dollars" per student should be sufficient for this activity.

3. All items put up for bids should be displayed briefly prior to the auction. This will permit students to plan how they are going to spend their limited resources.

4. The teacher, or a selected student, should then open bids on each item in succession.

5. At the conclusion of the auction ask:

a) How many students made purchases? How many did not? Engage students in a general discussion of the benefits of exchange.

b) Which items were the most popular? Which were least popular? Encourage students to offer explanations as to why.

c) How did students choose their purchases? How important were factors such as need, price and status? What effect did bidding have on purchases? What other factors were considered? Which items would have been more heavily purchased if the price had been lower? Which items would not have been as popular had the price been higher?

d) How did students obtain information about the item(s) purchased? How did information about a product help the exchange process?

e) How does exchange provide opportunities to increase students' level of satisfaction?

f) What is meant by the term consumer choice? To what degree is consumer choice a factor in the marketplace?

g) In an auction, the buyer determines price through bids. In the real marketplace, how do sellers set selling prices? What role does the buyer play in determining selling price?

Unit Two

The Marketing Cycle and The Consumer

Introduction

Marketing, too often, is thought of as advertising and promotion only. In reality, marketing includes all the steps involved in bringing a product to the marketplace: market research, product research and development, manufacturing and distribution, as well as advertising and promotion. All these activities can be pictured as a circle that begins and ends with the consumer. This cyclical representation dramatically illustrates the pivotal role of the consumer in the life cycle of every product. Although many consumers do not realize the key role they play in our market economy, businesses are keenly aware that consumer choice determines whether a product succeeds or fails. The degree to which companies accurately assess and address consumers' wants, needs and preferences determines whether products succeed or fail.

This unit of **Insights into Economics** introduces students to the marketing concept and the key role played by the American consumer. Students are guided step-by-step through the marketing cycle. The importance of the consumer is emphasized throughout the materials. This unit may be used independently or serve as an introduction to the other units in this series. This unit can be completed within one class period.

Economic Concepts Covered in this Unit

Marketing
Market Research
Product Research and Development
Manufacturing
Distribution
Advertising and Promotion
Competition

Objectives

Students who participate in this activity will be able to:

1. define marketing and its components.

2. name the five steps in the marketing cycle.

3. identify the role each step in the marketing cycle plays in bringing a product to the marketplace.

4. explain the key role played by consumers in the American market economy.

Suggested Teaching Strategies

I. To introduce students to the concept of market research, reproduce and distribute copies of the Student Worksheet 1 "Consumer Hair Care Survey." Ask students to interview at least three other students and/or adults. Be sure to allow students sufficient time to complete this task prior to your discussion. Explain that this is the same process businesses use to learn about consumers' needs, wants and preferences.

Once the surveys are completed, select student(s) to tally the responses and share these with the class. Tell the class to put themselves in the role of directors of the Beauty Care Division of a major U.S. corporation that is considering marketing a new shampoo. Ask them to examine the survey responses for trends in usage and attitudes and make preliminary recommendations about the type of shampoo their company should make. *(Note: The numbers of the discussion questions correspond to the numbers of the survey questions.)* Some conclusions and implications from possible survey responses are included in parentheses to foster class discussion.

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Suggested Teaching Strategies
(continued)

1. How often do most people shampoo their hair? *(Frequency of shampooing may affect the type of cleansing and/or conditioning agents used in a product.)*

2. How does use of conditioner compare to use of shampoo? *(If your survey shows that a conditioner is used infrequently, your new product may have more appeal if conditioning agents are included. If conditioner use is frequent, your company might consider developing a shampoo and conditioner system.)*

3.-6. Use of blow dryers, curling irons, hair color and perms may damage hair. Did many respondents say they do one or all of these? *(If your survey reveals that a significant number of people are blow drying, coloring and perming hair, your shampoo should be formulated to be gentle to hair and include conditioning agents.)*

7. How do most people characterize their hair? Dry, normal or oily? *(The results from this question could indicate that your new shampoo should have three different formulas for dry, normal or oily hair.)*

8.-12. What seems to be the most important factor in selecting a shampoo? What is least important? *(These questions are very important. If your new product is to be successful you must listen to what consumers are saying. You may find that some consumers purchase products based on price. Others may not mind paying a higher price for a shampoo that may clean, condition, fight dandruff or leave their hair more manageable than less expensive products. Additional market research may be done to determine who in a household actually makes the shampoo purchase. The preferences of the purchaser may outweigh those of other users.)*

13.-14. What shampoos and conditioners seem to be the most popular among those surveyed? *(If there are strong preferences shown, this will indicate which products will be your competition. Consumers can be further surveyed to determine just what it is about the products they like.)*

15. Are there differences in the responses between men and women? If so, what are they? *(If men and women express different preferences, your company may want to consider making a specialized shampoo for either men or women. If there are no significant differences, a family shampoo formula may be advisable.)*

16. Are there differences in the responses among age ranges? If so, what are they? *(If differences are shown by age range, your company may consider making a specialized product for a particular age range. Another alternative is to tailor advertising and promotional efforts toward a specific "target" group of consumers based on the product's characteristics and consumer preferences.)*

To conclude discussion, ask students:

1. What type of shampoo should your company produce, based on your survey results? What characteristics should it have to meet consumers' needs?

2. Why is it so important for businesses to seek information from consumers?

II. To introduce students to the marketing cycle and the key role played by consumers, reproduce and distribute Student Reading 1 "A Case Study of Consumers and the Marketing Cycle in Action: HEAD & SHOULDERS Shampoo." Emphasize that in a market economy, the marketing cycle begins and ends with the consumer. The marketing cycle graphic (Overhead 1) may be used as a transparency to aid discussion and understanding.

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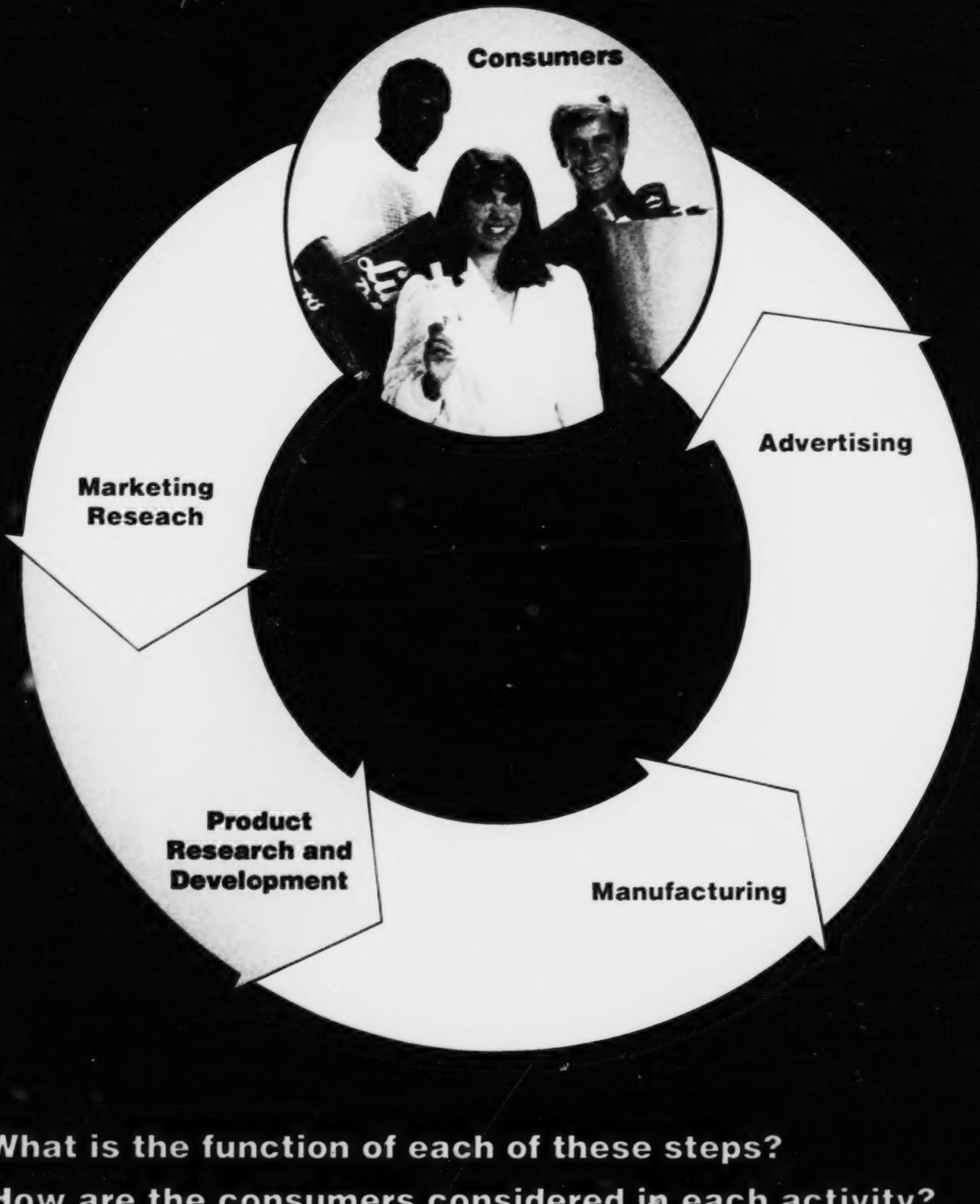
Suggested Teaching Strategies
(continued)

III. Reproduce and distribute Student Worksheet 2 "The Marketing Cycle" which contains a matching exercise to measure students' comprehension of the reading. Suggested responses can be found on the teacher answer key for this activity.

IV. Reproduce and distribute Student Worksheet 3 "The American Consumer: Key to Success in our Market Economy" which calls for students to answer questions on the reading. Suggested responses can be found on the teacher answer key for this activity.

THE AMERICAN CONSUMER: KEY TO OUR MARKET ECONOMY


Consumers

Advertising

Manufacturing

Product
Research and
Development

Marketing
Reseach

What is the function of each of these steps?

How are the consumers considered in each activity?

W

Student Worksheet 1

CONSUMER HAIR CARE SURVEY

Our company is constantly trying to develop products that will satisfy the needs of consumers. Won't you please help us by taking a few moments to answer some questions about hair care? Thank you, we appreciate your taking time to help us.

1. How often do you shampoo your hair?
☐ 1-3 times per week ☐ 4-6 times per week ☐ 7 or more times per week

2. How often do you use conditioner in your hair?
☐ Never ☐ 1-3 times per week ☐ 4-6 times per week ☐ 7 or more times per week

3. How often do you blow dry your hair?
☐ Never ☐ 1-3 times per week ☐ 4-6 times per week ☐ 7 or more times per week

4. How often do you use electric curlers or curling iron?
☐ Never ☐ 1-3 times per week ☐ 4-6 times per week ☐ 7 or more times per week

5. Do you use hair color?
☐ yes ☐ no ☐ sometimes

6. Is your hair permed?
☐ yes ☐ no ☐ sometimes

7. How would you describe your hair?
☐ dry ☐ normal ☐ oily

Please respond to the following questions by indicating Very Important, Important or Not Important.

When selecting a shampoo, how important is its:

8. Price

9. Fragrance

10. Cleaning power

11. Dandruff fighting ability

12. Ability to leave hair soft and manageable

13. Do you buy a particular shampoo on a regular basis?
☐ yes ☐ no ☐ If yes, what brand do you buy?

14. Do you buy a particular conditioner on a regular basis?
☐ yes ☐ no ☐ If yes, what brand do you buy?

Please check as appropriate:

15. What is your gender?
☐ Male ☐ Female

16. What is your age range?
☐ 14-18 ☐ 19-25 ☐ 26-40 ☐ 41-60 ☐ Over 61

R

Student Reading 1

A CASE STUDY OF CONSUMERS AND THE MARKETING CYCLE IN ACTION: HEAD & SHOULDERS SHAMPOO

Although many consumers do not realize the key role they play in our market economy, businesses are keenly aware that consumer choice can spell success or disaster for a product. Marketing, the process of bringing a product to the marketplace, begins and ends with consumers.

To be successful in our market economy, manufacturers must carefully listen and respond to consumer needs and wants. Companies can survive only if they make products consumers want at a price consumers are willing to pay. But how do companies actually "listen" to consumers? How do businesses really know if a product being offered in the marketplace is going to be accepted by consumers? This case study highlights Procter & Gamble's Head & Shoulders shampoo. It will illustrate how consumers are very much involved in all steps of the marketing cycle: market research, product research and development, manufacturing and advertising and promotion.

THE MARKETING CYCLE

First and Foremost - The Consumer

The consumer is the single most important player in the marketing cycle. Quite simply, without consumers to buy a product it will fail. Wise consumers will not purchase a product unless it meets a need or want and is reasonably priced. Sellers are well aware they must meet consumers' requirements if they are to stay in business and earn a profit. Listening to consumers continues throughout the life of the product to make sure the product continues to meet the needs, wants and preferences of consumers.

Let's set the scene for our case study. Americans spend over two billion dollars each year on shampoos and conditioners. Since 1970 more than 100 brands of shampoo have been sold, yet the average life span of a shampoo is only one-and-a-half years. Procter & Gamble's Head & Shoulders brand has been a leading dandruff control shampoo since its introduction in 1961. Why has this product been successful for so long? Because Procter & Gamble has long recognized the need to listen and respond to consumers in all phases of the marketing cycle. Today's Head & Shoulders is quite different from the original formula. It has been reformulated and improved many times to meet consumers' changing needs, wants and preferences.

Market Research

The first step in creating a new or improved product is to correctly determine the needs and wants of consumers. Before deciding to spend money on research and development, companies like Procter & Gamble try to find out what consumers like and dislike about a product they are using, the changes they would like made and the kinds of products they would like to have.

This is called market research, which means discovering the opinions, attitudes, usage and buying habits of consumers. Through market research the manufacturer listens to consumers. This is done in several ways, including interviewing consumers in their homes, in shopping malls, by telephone, by mail or in discussion groups. Thousands of interviews may be conducted on one product.

Head & Shoulders was introduced in 1961. Since then, Procter & Gamble has conducted many market research studies about Head & Shoulders to make sure the product continued to meet consumers' needs. Through market research in the late 1960's, Procter & Gamble learned consumers wanted an even more effective dandruff control shampoo than the then current Head & Shoulders. They also wanted a thicker, richer lather and a lighter, fresher fragrance. Consumers were also insistent the shampoo be gentle and leave hair soft and manageable.

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Product Research and Development

Could Procter & Gamble meet the challenge of its market research? Could Head & Shoulders be successfully reformulated to meet consumers' needs? This would be determined in the product research and development phase of the marketing cycle.

Product research and development refers to the complex tasks of designing and testing new products. Chemists, biologists and engineers are among those involved in this crucial step of the marketing cycle. Procter & Gamble researchers developed an ingredient called PTZ which was more effective against dandruff. Extensive clinical tests, supervised by dermatologists, were conducted. The improved formula was found to be significantly better than the previous Head & Shoulders for dandruff control. Consumers involved in tests also found that the new formula left their hair as soft and manageable as the leading non-dandruff control shampoo. A new and pleasing fragrance was also developed.

Product packaging is another key element of the development process. Companies must listen to consumers' needs, wants and preferences in selecting a package for its products. Of course, the purpose of a package is to keep the product fresh, pure and effective. But consumers also want convenient, easy-to-use packages and containers. At the same time, the package must be pleasing to the eye, easily shipped, stored and stacked on store shelves. It must be easy for the consumer to handle, yet allow for informative labeling.

It was important that the package for the new formula Head & Shoulders have a new look. Again, Procter & Gamble turned to consumers. Groups of consumers were asked to react to several new bottle styles and labels. Based on consumer reaction, the Head & Shoulders seen on store shelves today was chosen. To respond to consumers desire for easier dispensing, a flip-top cap was added.

Even after developing and testing a product, a company will move with caution before offering the product for nationwide sale. Will consumers agree that the new formula is an improvement? Will they buy the improved product? The only way to get answers is to put the product on sale under actual market conditions. To do this, a company will first sell the product in one or more small geographic areas called test markets. (Using a test market helps businesses because if the product fails, the financial loss is reduced compared to selling the product nationwide.) Areas are chosen that will indicate how the product should sell nationwide. The type of product and the intended consumers play a large role in determining test market locations. The product is placed in stores in test markets; newspaper, television, and radio commercials are developed. In fact, the entire marketing plan for the product is tested just as if the product was in national distribution.

Manufacturing and Product Distribution

The role of manufacturing and product distribution is to mass-produce a quality product and get it to consumers at a price they are willing to pay.

The location of a manufacturing plant is of great importance in a product's production costs. A manufacturer must consider a location's proximity to raw materials, markets, energy sources and transportation. The right location helps hold production costs down.

Advertising and Promotion

Once a product is mass-produced and is available to consumers, the manufacturer needs to find an effective way to tell consumers about it. Advertising is the most visible form of communication in the marketing process. Its purpose is to inform the consumer that a product is available, describe its benefits and encourage the consumer to try it. Television, radio, magazines, newspapers and

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direct mail are most frequently used for consumer advertising. Companies spend a great deal of time and money on the development of advertising campaigns and the purchase of time and space to run their ads. All this is done in an effort to influence consumer choice.

To announce the introduction of improved Head & Shoulders, Procter & Gamble aired television commercials on night and day network programs, as well as on sports and local programs. It was estimated a Head & Shoulders commercial would reach U.S. households more than six times each month. Print ads were run in several popular magazines and radio commercials were used to announce a major sales promotion for the product.

Companies use sales promotions to give consumers the opportunity to try a product. Free samples, coupons, price reductions and "money-back" offers are examples of promotional techniques used to attract new consumers. In the case of the new Head & Shoulders, almost 70% of all U.S. households received coupons worth $1.00 in their newspaper.

The Marketing Cycle Continues — Discovering Consumers' Needs and Wants

This brings us back to where we started — trying to find ways to please consumers. In the American market economy, competition forces manufacturers to be in continuous communication with consumers to find new and more effective ways to meet their needs and wants. Established products are reformulated, new products are introduced, and some products, failing the test of the marketplace, vanish forever. Even as you read this, the marketing cycle for Head & Shoulders continues. Procter & Gamble continues to seek input from consumers by listening effectively to their changing needs, wants and preferences. In our market economy, the consumer controls the marketplace.

W

Student Worksheet 2

THE MARKETING CYCLE

Directions: Match the activity listed in Column A to the correct step in the marketing cycle in Column B

Column A

____1. Companies try to determine what new products consumers want.

____2. New products are designed and existing products improved.

____3. Procter & Gamble sets up test markets in Milwaukee and Grand Rapids.

____4. Companies tell consumers that a product is available.

____5. Companies offer coupons and "money back" on products.

____6. Procter & Gamble conducts clinical tests to test the effectiveness of the new Head & Shoulders formula.

____7. The location of plants is decided.

____8. Television, radio, newspapers and magazines are used to persuade consumers to try a product.

____9. The style and shape of a product's package is determined.

____10. Companies "listen" to consumers about ways to improve their products.

Column B

A. Market Research

B. Product Research and Development

C. Manufacturing and Product Distribution

D. Advertising and Promotion

W

Student Worksheet 3

THE MARKETING CYCLE AND THE CONSUMER

Directions: Answer these questions after reading "The American Consumer: Key to Success in Our Market Economy." Be sure to answer in complete sentences.

1. What is marketing?

2. Why is the consumer the most important part of the marketing cycle?

3. Why do companies conduct market research? Why is it important that market research be accurate?

4. Why do you think Procter & Gamble conducted clinical studies of the new formula for Head & Shoulders even before test marketing the product?

5. Why do companies use test markets?

6. What needs must a product's package meet? What qualities do consumers desire in a product's package?

7. What does a business hope to achieve in the manufacturing stage?

8. Why do manufacturers try to keep the costs of production as low as possible? How might the selection of a manufacturing facility impact on selling price?

9. What is the purpose of advertising?

10. What types of promotion do manufacturers use to get consumers to try a product?

11. Why is it said that no amount of advertising will keep a poor product in the marketplace?

12. What is meant by the statement, "The consumer is 'in control' in the American marketplace?"

Suggested Responses to Student Worksheet 2
THE MARKETING CYCLE

A Matching Exercise.

Directions: Match the activity listed in Column A to the correct step in the product cycle in Column B

Column A

A 1. Companies try to determine what new products consumers want.

B 2. New products are designed and existing products are improved.

B 3. Procter & Gamble sets up test markets in Milwaukee and Grand Rapids.

D 4. Companies tell consumers that a product is available.

D 5. Companies offer coupons and "money back" on products.

B 6. Procter & Gamble conducted clinical tests to test the effectiveness of the new Head & Shoulders formula.

C 7. The location of plants is decided.

D 8. Television, radio, newspapers and magazines are used to persuade consumers to try a product.

B 9. The style and shape of a product's package is determined.

A 10. Companies "listen" to consumers about ways to improve their products.

Column B

A. Market Research

B. Product Research & Development

C. Manufacturing & Product Distribution

D. Advertising and Promotion

Suggested Responses to Student Worksheet 3
THE MARKETING CYCLE AND THE CONSUMER

Directions: Answer these questions after reading "The American Consumer: Key to Success in Our Market Economy." Be sure to answer in complete sentences.

1. What is marketing?

Marketing is the series of activities conducted by a business to bring a product to the marketplace. These include market research, product research and development, manufacturing and product distribution and advertising and promotion.

2. Why is the consumer the most important part of the marketing cycle?

The marketing cycle begins and ends with consumers. Companies must continue to be aware of consumers' needs, wants and preferences. They must also produce products that will satisfy the consumer. If consumers' needs are incorrectly determined or if a product is created that does not meet the needs of consumers, the product will not survive the test of the marketplace.

3. Why do companies conduct market research? Why is it important that market research be accurate?

Market research is the way companies "listen" to consumers. Companies use market research to find out what consumers like and dislike about products they are using, the changes they would recommend, and what new products they would like to have. Accurate market research is important because developing products requires huge amounts of money. Before companies invest money in product development, they need to know what consumers want.

4. Why do you think Procter & Gamble conducted clinical studies of the new formula for Head & Shoulders even before test marketing the product?

Clinical studies were conducted to find out if the new formula was more effective against dandruff. Procter & Gamble also had to know if it would leave hair soft and manageable and if the fragrance was pleasing. The company had to get an idea of how successful its research had been before setting up costly test markets for the new formula Head & Shoulders.

5. Why do companies use test markets?

Sellers use test markets to find out if the product will be purchased by consumers. Test markets are also used to indicate how the product will sell nationally. Consumer reaction in test markets may result in changes to the product, its price or its advertising.

6. What needs must a product's package meet? What qualities do consumers desire in a product's package?

A product's package must keep the product fresh, pure and effective. It must be pleasing to the eye, easily shipped, stored and stacked on store shelves. It must be easy for the consumer to use and have an informative label. Consumers want product packages that are convenient, easy to store and easy to handle.

7. What does a business hope to achieve in the manufacturing stage?

Business seeks to mass produce a product of consistently high quality and ship it to consumers at a price they are willing to pay. If new manufacturing facilities are to be built, sites must be selected that will contribute to the lowest possible production costs.

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Teacher Background
(continued)

8. Why do manufacturers try to keep the costs of production as low as possible? How might the selection of a manufacturing facility impact on selling price?

Production costs affect a product's selling price. If a production location results in high costs, a product's selling price will be increased accordingly. If a product is offered for sale at a price too high for consumers, they will not purchase it.

9. What is the purpose of advertising?

The purpose of advertising is to tell consumers a product is available, explain its benefits and to persuade them to try the product.

10. What types of promotion do manufacturers use to get consumers to try a product?

Manufacturers use free samples, coupons, price reductions and "money-back" offers to get consumers to buy a product.

11. Why is it said that no amount of advertising will keep a poor product in the marketplace?

Even though advertising may be successful in persuading a consumer to try a product, it cannot persuade consumers to repurchase a product they are not satisfied with.

12. What is meant by the statement, "The consumer is 'in control' in the American marketplace?"

Consumers have the final say regarding which products are successful and which fail in the marketplace test. Companies know they must please consumers by offering products that meet consumers' needs, wants and preferences.

Unit Three

Responding to the Changing Marketplace

Introduction

In the American market economy, businesses are most successful when they produce goods and services that consumers need and want. Effective communication between buyer and seller is essential for business to succeed. In a country as vast as America, identifying consumer needs and wants is no simple task. According to industry sources including *Advertising Age* and *Fortune*, 80% of all new products introduced fail in the marketplace. This emphasizes the importance of "listening" to consumers. Successful businesses have developed strategies that allow them to "hear" what consumers are saying relative to needs and wants. These strategies include market surveys, test markets, group meetings and home visits.

Once a consumer need or want has been identified, business then begins a lengthy and often costly research and development effort to produce a good or service that satisfies consumers. Often a prototype product will be test marketed to gauge whether the development effort is yielding positive results. The final test comes in the market place—Do consumers like the product? Does it sell at a price that provides the business with a fair return? Will the product generate long term profitability for the business while providing a benefit to the consumer?

It is important to note that a successful business will not only remain responsive to consumers' demand for new products, but will continually re-evaluate its present product line to keep pace with the everchanging marketplace. Using the same market analysis strategies previously mentioned, business will seek consumer input regarding needs, trends, other new developments and product performance. The often used phrases "new and improved" and "improved formula" are often the result of a product's reassessment. In some cases products are redesigned and reformulated; in other cases products are eliminated.

This unit of**Insights** presents a case study of TIDE, Procter & Gamble's leading laundry detergent. It allows students to view the development of this successful product from its inception through its many modifications and reformulations. Like other successful companies, Procter & Gamble focuses on correctly determining and meeting consumers' wants. This unit can be completed within one class period.

Economic Concepts Covered in this Unit

Competition
Demand
Supply
Profit

Objectives

Students who participate in this activity will be able to:

1. identify examples of how consumer wants had impact on the development of TIDE.
2. demonstrate an awareness of cause and effect relationships in product development.
3. explain why successful businesses actively seek input from consumers.
4. describe the importance of laboratory research and technology in product development.
5. identify the impact of changing consumers' lifestyles on product development.

Suggested Teaching Strategies

1. Begin by asking students to list the last three items they purchased.

—Ask why these items were purchased (consumer needs).

—Ask if students believe the manufacturer knew these items would be purchased by consumers.

—Ask how manufacturers can determine consumers' needs.

—Ask students to think of products that have changed recently. Ask them if the change was an improvement.

—Ask students to think of a product no longer on the market. Have them speculate about why the product failed. *(Teacher's note: One example is large, gas-guzzling cars. When fuel prices increased dramatically, consumers demanded more fuel-efficient cars.)*

2. Duplicate and distribute the Student Reading 1 "TIDE: A Case Study." This reading traces the development and evolution of TIDE laundry detergent in response to consumers' needs. *(Teacher's note: This reading could be assigned as homework or tape recorded and played.)*

3. Ask students to complete Student Worksheet 1. This activity helps students see cause and effect relationships implicit in product development and summarizes the reading. This activity can be done individually, in small groups or by the entire class.

4. The activity on Student Worksheet 2 takes students beyond the TIDE example to reinforce the idea that successful businesses must be responsive to consumers' needs and wants. This activity also reinforces the cause and effect relationship in product development. This can be done individually, in small groups or as a class activity.

5. The activity on Student Worksheet 3 encourages students to think further about the need for communication between seller and buyer. This activity challenges students to speculate about how business might respond to hypothetical changes in consumers' wants and needs. This can be done individually, in small groups or as a class activity.

6. If you wish, ask students to generate their own hypothetical changes in consumers' wants and needs and challenge the class to speculate on possible business responses.

7. As a follow-up activity, you might ask students to identify a product they would classify as successful. Instruct them to list the reasons they feel are responsible for the success of the product (including changes they are aware of) in terms of the manufacturer meeting the needs and wants of the consumer.

(Good examples of businesses responding to the needs and wants of consumers can be found in the automobile industry and the fast food industry.)

R

Student Reading 1

RESPONDING TO THE CHANGING MARKETPLACE

TIDE: A Case Study in Responding to Consumers

In 1837 candlemaker William Procter and James Gamble, a soapmaker, became business partners. The creation of the Procter & Gamble Company seemed logical because both candle making and soapmaking relied on the same raw materials (animal fats and oils). By joining together, Mr. Procter and Mr. Gamble could combine their resources and knowledge to form a more efficient and, hopefully, more profitable business. This was the beginning of a thriving business that today manufactures a variety of products which impact on the daily lives of consumers.

Even in 1837, Mr. Procter and Mr. Gamble knew that to be successful their products must meet the needs of consumers and utilize the latest technology. As America's industrialization revolutionized methods of production, breakthroughs in science and technology encouraged the development of new products. Companies like Procter & Gamble listened carefully to consumer wants and used that knowledge to manufacture products that consumers would purchase. In addition to listening to consumers wants, successful companies must be able to respond to consumers' changing needs.

The development of Procter & Gamble's TIDE laundry detergent is an interesting case study of how a company listened to consumers' needs and put technology to work to manufacture a highly successful product.

TIDE's development began some 20 years prior to its introduction. Procter & Gamble's market research indicated consumers wanted a laundry product that would clean well in "hard" water without leaving the curd-like residue from soap, commonly known as "bathtub ring." In 1931 while traveling in Europe, a Procter & Gamble scientist found a German company producing a "wetting agent" used in a process to dye cloth. Recognizing the possibilities of using this substance in a laundry product, the scientist had a small amount shipped to the Procter & Gamble research lab in Cincinnati. Procter & Gamble researchers discovered that the "wetting agent" was really a synthetic detergent. It contained a two-part molecule that allowed water to penetrate fabrics, break up oils and grease, and float away dirt. This revolutionary discovery led to further research into synthetic laundry products, which appeared to have strong advantages over the soap-based laundry products being used.

In 1933 Procter & Gamble introduced DREFT, the first household synthetic laundry detergent. It eliminated the problem of the curd left by soap products and rinsed quickly from clothes, two features which pleased consumers. DREFT's shortcoming, according to Procter & Gamble's market research, was it did not clean heavily soiled clothes to consumers' satisfaction. Procter & Gamble responded to this consumer feedback by going back to the lab to find a chemical formula that could improve the cleaning ability of its synthetic detergent.

After years of experimentation, Procter & Gamble's pioneering research into synthetic detergents brought results. P&G scientists determined the addition of STPP (the chemical name is sodium tripolyphosphate) increased a detergent's cleaning ability. A new detergent formula, including STPP, was developed. This new formula washed clothes whiter and cleaner, made better suds and rinsed easily. This new synthetic detergent was named TIDE. It was test marketed in 1946 and made available nationwide by 1949.

TIDE's success in the marketplace was overwhelming. Consumers found this detergent product not only surpassed the cleaning ability of soap products in soft water, but could be used for everything from scrubbing cattle to washing a baby's diapers. TIDE was so successful it outsold all laundry products, including Procter & Gamble's own soap-based brands.

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R

Student Reading 1
(continued)

Although TIDE was an effective all-purpose detergent, the changing nature of consumers' needs sent Procter & Gamble researchers back to the lab once more. The introduction of man-made fibers, permanent press clothing and the increased use of colored fabrics created a variety of consumer needs for laundry products. Procter & Gamble determined no single detergent could best meet all these needs. For example, clothes made of polyester fiber were popular with consumers because they were durable, easy-to-care-for and wrinkle-resistant. However, these new man-made fibers could not withstand repeated washings in hot water, which was how TIDE performed best. In response, Procter & Gamble specially formulated CHEER to wash in cooler temperatures. When consumers began buying large capacity washing machines but wanted fewer suds, Procter & Gamble developed DASH, a low-sudsing detergent. Other examples of products designed to meet specific consumer needs include: OXYDOL, with brighteners for colored fabrics; BOLD 3 with a built-in fabric softener; and ERA, a liquid detergent designed to be effective against oily or greasy soils.

In the meantime, TIDE also kept pace with needs of the changing marketplace. In 1984, some 37 years after the original formula of TIDE was first sold, LIQUID TIDE was introduced as an extension of TIDE's product line. Procter & Gamble's market surveys showed that consumers wanted an all-purpose laundry product as effective as TIDE but more convenient to use. While LIQUID TIDE matches the cleaning power of original TIDE, it offers consumers a modern plastic container, the ability to easily pre-treat stains and the convenience of easy storage.

The success of TIDE is the result of Procter & Gamble's ability to listen to consumers' needs and wants and to manufacture the desired products. Without ongoing communication with consumers, Procter & Gamble would be unable to remain competitive in the marketplace.

Student Worksheet 1

RESPONDING TO THE CHANGING MARKETPLACE

Directions: After reading TIDE: A Case Study, complete the following chart.

Consumers' Needs and Wants	Procter & Gamble Responds
Consumers unhappy with soap curd left by laundry soap.	
	TIDE introduced by Procter & Gamble in 1946.
Consumers buy clothes made of synthetic fibers.	
Consumers buy larger capacity washing machines but don't want an abundance of suds.	
	LIQUID TIDE introduced by Procter & Gamble in 1984.

W

Student Worksheet 2

RESPONDING TO THE CHANGING MARKETPLACE

Directions: Complete the following chart using your knowledge of product development and the need for communication between buyer and seller.

Consumers' Needs and Wants	Business Responds
Consumers do not like the time and expense involved in changing from regular to winter tires each year.	
	Companies begin work to find an artificial sweetener for use in food and drinks.
Consumers no longer buy food or drinks with saccharin, an artificial sweetener found to cause cancer.	
	Cosmetic manufacturers introduce hypo-allergenic makeup.
	Velcro introduced as a fastener in clothing and shoes.
Consumers become concerned about the sun's harmful rays on their skin.	
Reports of product tampering raise consumers' concerns about product package safety.	
	Procter & Gamble introduces a new CREST Tartar Control Formula toothpaste.
	Polaroid introduces a camera that develops its own pictures in less than one minute.

W

Student Worksheet 3

RESPONDING TO THE CHANGING MARKETPLACE

Directions: Using your knowledge of product development, explain how you think business would respond to the following hypothetical situations.

1. A worldwide oil shortage triples the price of gasoline.

2. Scientists discover that exposure to chlorine in swimming pools can lead to disorders of the scalp.

3. A new fad (gluing small decorative plastic patches in the hair) sweeps the nation.

4. Researchers develop a synthetic milk which requires no refrigeration and has an indefinite shelf life.

5. Market research shows consumers are becoming more convenience store oriented and are less likely to shop in a supermarket. They prefer to make more trips to the store and they do not like to carry heavy, bulky packages.

Teacher Background

RESPONDING TO THE CHANGING MARKETPLACE

Suggested Responses to Student Worksheet 1

Consumers' Needs and Wants	Procter & Gamble Responds
Consumers are unhappy with soap curd left by laundry soap.	*Procter & Gamble researchers try to develop laundry product that leaves no soap curd.*
Consumers are not satisfied with DREFT because it lacks necessary cleaning power.	TIDE is introduced by Procter & Gamble in 1946.
Consumers buy clothes made of synthetic fibers.	*CHEER is formulated to be an effective detergent in cool water.*
Consumers buy larger capacity washing machines but don't want an abundance of suds.	*DASH is introduced as a low-sudsing detergent.*
Consumers express a desire to have a detergent that cleans like TIDE but is easier to use than powder.	LIQUID TIDE is introduced by Procter & Gamble in 1984.

Teacher Background

RESPONDING TO THE CHANGING MARKETPLACE

Suggested Responses to Student Worksheet 2

Consumers' Wants and Needs	**Business Responds**
Consumers do not like the time and expense involved changing from regular to winter tires each year.	*Tire manufacturers develop all-season tires. This eliminates changing tires as the seasons change.*
Consumers express a desire to enjoy the taste of sweet food and drinks without the calories of sugar.	Companies begin work to find an artificial sweetener for use in food and drinks.
Consumers no longer buy food or drinks with saccharin, an artificial sweetener found to cause cancer.	*Companies develop other artificial sweeteners as an alternative to saccharin.*
Consumers complain about allergic reactions to certain makeup.	Cosmetic manufacturers introduce hypo-allergenic makeup.
Market research shows that consumers would like to have a fastener that is easier to use than a zipper or button.	Velcro introduced as a fastener in clothing and shoes.
Consumers become concerned about the sun's harmful rays on their skin.	*Suntan lotions with sun-blocking formulas are introduced.*
Reports of product tampering raise consumers' concerns about product package safety.	*Manufacturers redesign many packages to include "tamper-resistant" features.*
Market research shows consumers dislike having tartar, a mineral buildup, scraped off their teeth.	Procter & Gamble introduces a new CREST Tartar Control Formula toothpaste.
Consumers express a desire to see pictures as soon as they are taken.	Polaroid introduces a camera that develops its own pictures in less than one minute.

RESPONDING TO THE CHANGING MARKETPLACE

Suggested Responses to Student Worksheet 3

Directions: Using your knowledge of product development, explain how you think business would respond to the following hypothetical situations.

1. A worldwide oil shortage triples the price of gasoline.

Responses will vary but should include reference to the need to develop more fuel-efficient products.

2. Scientists discover that exposure to chlorine in swimming pools can lead to disorders of the scalp.

Responses will vary but should include reference to the need to develop alternative chemicals to be used in swimming pools and/or additives to chlorine to make it milder on the scalp.

3. A new fad (gluing small decorative plastic disks in the hair) sweeps the nation.

If this is indeed a fad, it is unlikely that any business interested in long-term growth will spend much time and money to develop a product that will remove the disks from one's hair. Only sustained consumer interest promises long-term profitability for a business.

4. Researchers develop a synthetic milk which requires no refrigeration and has an indefinite shelf life.

Responses will vary but should include reference to the impact on the food products and food storage industries. An interesting point of discussion may be to speculate on consumer acceptance of such a product.

5. Market research shows consumers are becoming more convenience store oriented and are less likely to shop in a supermarket. They prefer to make more trips to the store and they do not like to carry heavy, bulky packages.

Responses will vary but reference should be made to the need to alter product packaging. Smaller sizes of products at prices consumers will accept need to be developed. Additionally, student may mention the possibility of producing concentrated forms of products.

Unit Four

Bringing a New Product to the Marketplace: Solving the Pricing Problem

Introduction

Bringing a new product to the marketplace is a long and involved task. Companies must correctly assess consumers' needs and wants, decide if they can meet those needs and determine if they can generate a long-term profit in doing so.

In this activity, students are asked to solve a dilemma Procter & Gamble had with its disposable diaper, Pampers. The company had developed an effective disposable diaper that was well received by consumers. The problem was Procter & Gamble had set the selling price higher than what consumers were willing to pay. The pricing mechanism in a market economy allows both supplier and consumer to have input in the setting of prices. Suppliers wish to sell their products at a price that will cover all development and production costs and include a fair return on their investment. Consumers wish to pay the lowest possible price that will allow them to obtain a desired quality product.

This unit of **Insights** places students on Procter & Gamble's "New Product Advisory Board." They are confronted with the pricing question and other real issues faced by the company in bringing Pampers to the marketplace in the early 1960's. Students are challenged to put themselves in Procter & Gamble's place, face some of the questions and make necessary decisions. As they do, they can see the impact of consumers on questions raised and decisions made. This unit of **Insights** can be completed in 1-2 class periods.

Economic Concepts Covered in this Unit

Price
Demand
Supply
Competition
Market Clearing Price
Opportunity Cost

Objectives

Students who participate in this activity will be able to:

1. explain the importance of consumer market research in bringing a new product to market.

2. define and explain the role of test markets in product development.

3. state three factors a business must consider when developing a new product.

4. explain the role of price in determining a product's success or failure in the marketplace.

5. explain how producers and consumers are both involved in setting selling price in a market economy.

6. describe how Procter & Gamble solved the price problem in bringing Pampers to market.

Suggested Teaching Strategies

1. Divide the class into groups of 4-6 students. Instruct the groups that they are to act as a "New Products Advisory Board" for a major U.S. corporation and will be presented with several situations. Tell them that they will be asked to consider all options and make decisions concerning the development and sale of a major new product line. *(Teacher note: Most class members probably know Pampers as a current successful product. To prepare students for their role, set the scene by presenting background information on life in the 1950's.)*

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Suggested Teaching Strategies
(continued)

2. Reproduce copies of Student Worksheet 1A "The Beginning...Situation I" and distribute to each group. *(Teachers note: Instead of reproducing, you might use an overhead.)* Point out that there is no single correct answer. Many corporations are faced with similar situations and arrive at different conclusions. It is recommended that groups consider and list the positive and negative aspects of each option using columns headed X, -, and ? if necessary. Allow 5-10 minutes for discussion and tell each group to be prepared to state and defend its decision.

3. When the allotted time is up, have one member of each group present the group's decision and explain why they selected it.

4. After each group has reported, have the class discuss the agreement or disagreement of the groups on how the company should respond to the situation.

5. Share Student Worksheet 1B "The Beginning...Situation I Company Decision" with students (either hand out copies, read aloud or use overhead). Explain this represents the decision reached by one company in this situation. Lead a discussion based on these questions:

a) Was the decision made by student "Advisory Boards" the same as the one made by the company? Why or why not?

6. Using the procedure outlined in #2-5 above, have the groups respond to Situations II, III, IV and V.

7. Provide "The Rest of the Story..." to students. Discuss the following questions:

a) How did Procter & Gamble solve the price problems in bringing Pampers to the marketplace?

b) Why does Procter & Gamble continue to improve its Pampers and Luvs products?

8. As a follow-up study, have students visit a local supermarket to calculate the unit price of Regular, Super and Ultra Pampers. How do these prices compare to the original selling price of the product? Do today's Pampers offer more to consumers than the original? How? How will Procter & Gamble know if consumers will purchase these products at the prices established? What options are open to Procter & Gamble if consumers reject either product or price?

9. To reinforce the importance of price in a market economy, assign students the task of finding examples of how price is used to influence potential consumers. Have students locate several ads that stress price exclusively. As part of a follow-up discussion ask students to what extent they consider price when making a purchase. What other factors do they consider? Have them rank their priorities in making purchases.

Student Worksheet 1 A

BRINGING A NEW PRODUCT TO THE MARKETPLACE

Congratulations! You have just been appointed to the Procter & Gamble New Product Advisory Board. Your task is to review proposals for new products and to make decisions about bringing them to the marketplace.

THE BEGINNING... SITUATION I

It is 1956. A scientist in your research division has come to you with an idea for a product. He had been babysitting for his first grandchild and had a great time — except for the chore of changing diapers. He claims there should be something better than cloth diapers available. They are difficult to change, smelly to store, require laundering and must be folded. He suggests that Procter & Gamble begin to develop a disposable diaper. He says there has to be a better way to diaper babies.

Option 1

This sounds like a great idea! You can't imagine how anyone enjoys changing or washing messy, smelly diapers. It seems developing a disposable diaper can't miss as a successful product. Instruct your research division to develop a disposable diaper. Begin construction of manufacturing facilities and hire workers. In our competitive market system if you don't get the product to market, one of your competitors will!

Option 2

This sounds promising but you are not completely sold on the idea. You believe there may be a need for a disposable diaper. Recommend that your research and development division produce a disposable diaper in very limited quantities. The product can then be distributed to a selected group of consumers to measure their reaction.

Option 3

The idea sounds interesting but before rushing into a project of this size ask several questions: 1) Is there a real consumer need for a disposable diaper?, 2) Does the company have the scientific and technological ability to develop this product? and 3) Is the potential market large enough to offer the promise of making a profit?

Suggest that consumer market research studies be conducted. How do mothers feel about using cloth diapers? Let's get the answers before we move ahead.

Student Worksheet 1 B

THE BEGINNING... SITUATION I

COMPANY DECISION - Option 3

Procter & Gamble chose to do consumer market research to determine if there was a real need for an alternative diapering method. The research showed that mothers felt cloth diapers were uncomfortable for their babies. Cloth diapers did not keep babies dry enough, bunched up and required plastic pants which could irritate babies' skin. Obviously there was a real need for a better way of diapering. This consumer problem involved more than just the messy task of storing and laundering soiled diapers. Procter & Gamble determined it had the scientific and technological ability to develop such a product. Procter & Gamble already had experience in inventing and manufacturing absorbent paper products like facial and toilet tissue.

Is the market large enough to offer the promise of making a profit? This was the most important question. Millions of dollars would be invested in the development of a disposable diaper. If the company could not make a profit, there was no incentive to develop a new product. Profits enable a company to stay in business. Procter & Gamble calculated there are more than 15 billion diaper changes a year in the U.S. The promise of profit is there if an effective product could be developed.

Procter & Gamble decided to move into the product development phase of a disposable diaper.

W

Student Worksheet 2A

SITUATION II

After nine months of research, your product development team came up with a diaper pad that would be inserted in plastic pants. The pad was pleated to fit well, was very absorbent and could be disposed of by flushing.

Your new product was ready for a small-scale or pilot test. A small supply of these diaper pads and plastic pants were made by hand and given free to parents in Dallas, Texas. Did they like your new product? The answer was loud and clear—NO! Your researchers had forgotten that it gets very hot in Dallas. While parents liked the absorbency and fit of the diaper, they would not put their babies in hot plastic pants.

Option 1

The results of the Dallas test must be in error. Your market research proved the idea of a disposable diaper is a good one. Don't waste any more time or money on pilot tests. Swing into full production and nationwide distribution.

Option 2

Go back to the drawing board. Completely redesign your disposable diaper to eliminate the use of plastic pants. The Dallas pilot market showed your idea was good, but the product was inferior. It is possible the disposable diaper idea is a good one, but maybe a disposable pad in plastic pants is not the way to do it. Market research shows that people will buy an effective disposable diaper.

Option 3

Your consumer marketing research couldn't have been wrong. Too many mothers indicated they would like a disposable diaper. Recommend that you try a pilot test in another part of the country. This is the best way to determine if the product is good or not. If it fails in the second test, then abandon the idea.

separate answer section

W

Student Worksheet 2B

SITUATION II

COMPANY DECISION - Option 2

The company chose to replace the plastic pants. After one full year of research, a radically new diaper design was ready. The new product kept the fit and absorbency Dallas parents liked and it continued to be disposable.

This time, however, the plastic pants were replaced by a sheet of plastic across the back of the diaper that kept moisture in but allowed air circulation. Another invention — a porous sheet between the baby and the absorbent material — allowed fluid to pass through, but prevented most of it from coming back through. This kept babies drier and more comfortable.

Student Worksheet 3A

SITUATION III

Some 37,000 of the redesigned disposable diapers were made by hand for a second pilot test in Rochester, New York. This time consumer reaction was favorable. Your product seems to meet consumers' needs but will it pass the test of the market-place? So far, your research has only involved a very small number of people.

Option 1

Begin limited production of the disposable diaper and introduce the product into a test market. Select a "typical" city to determine how well the product will sell. The disposable diaper should be sold in retail stores complete with advertising and promotional campaigns. Test market results should be studied carefully to determine the company's next step.

Option 2

Make the product available to consumers across the country. Recommend that the company construct manufacturing facilities, purchase equipment and raw materials and hire workers. Your research and testing have shown this is a desirable product consumers will buy. To delay introduction of this product might give your competitors time to develop their own disposable diaper and capture the market.

Option 3

National or even limited distribution requires an investment of millions of dollars. Before taking a major financial risk, you want to be certain the product will be accepted by consumers. Set up at least two more pilot tests in other parts of the country. Just because the product was liked in Rochester, doesn't mean it will be accepted nationwide. Although this will take time, the company will benefit from additional small-scale testing.

■ ■

separate answer section

Student Worksheet 3B

SITUATION III

COMPANY DECISION - Option 1

Procter & Gamble decided to invest millions of dollars and market the product in a full-blown test market. Peoria, Illinois was the city selected. It took engineers over a year to design and build a totally new manufacturing process.

The company had confidence in its market research which showed a real consumer need for a disposable diaper. Procter & Gamble knew its product was a good one. A carefully selected test market would indicate if the product would be successful nationally.

Student Worksheet 4A

SITUATION IV

Your disposable diaper was test marketed in Peoria, Illinois in 1961. After many calculations, you decided to sell the product in the test market for ten cents per diaper. This was based on production costs and projected sales nationwide. Your company could make a fair profit at this price if 400 million diapers per year were sold. Company analysts say this sales figure is reasonable to expect.

The Peoria test market results have just arrived. You are quite unhappy to learn your disposable diaper idea has failed the market test. Quite simply, the product did not sell as well as expected. Projections show consumers will purchase fewer than 200 million of the 400 million diapers you have to sell to make a reasonable profit.

Option 1

Set up a second test market. Based on your market research, your disposable diaper should have been successful. Maybe Peoria was not a "typical" city. Develop a new advertising campaign for the product and use it in a city selected for a second test market.

Option 2

Market the product nationwide and carefully watch sales figures. Be patient! Give the public a chance to catch on. The idea of a disposable diaper is still new. If the product does not sell well at first, the company may have to take a temporary financial loss. Be optimistic! Sales will eventually increase as the public begins to realize the advantages of disposable diapers.

Option 3

Do additional market research. Spend the necessary time and money to find out why sales were not what you expected. Your earlier studies showed a market for the product exists and your product is a good one. It is necessary to find out why people did not buy it.

■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■

separate answer section

Student Worksheet 4B

SITUATION IV

COMPANY DECISION - Option 3

Procter & Gamble decided to invest the time and money to do additional market research. The mystery had to be solved. Why wouldn't consumers purchase this product? Studies showed there was a market for disposable diapers and the Rochester pilot test showed people liked your product.

Student Worksheet 5A

SITUATION V

Market research from the Peoria test market reveals the answer for poor sales — price. Consumers like the idea of a disposable diaper and think your product is good, but they also think ten cents per diaper is too much to pay. The product just is not worth the price.

Option 1

Increase your advertising of the new disposable diaper. You know the product is a good idea and your research shows that people will buy it. Maybe old habits are hard to break. Perhaps consumers need to be better educated about the advantages of disposable diapers over cloth diapers. Increased advertising would get the message to consumers. Recommend that spending more money to advertise would result in greater sales.

Option 2

Cut your price by reducing the quality of your disposable diaper. The product idea is so revolutionary even a product of lesser quality will be welcomed by consumers at the right price. You can always increase quality and price after consumers begin buying your product regularly.

Option 3

Maintain quality, reduce your price and take a risk. It is possible if you make the price more attractive, more people than you projected will buy the product. Company analysts indicate if the price were dropped to six cents each, you would have to sell one billion diapers a year to make a reasonable profit. But remember, your original projections said you would probably sell 400 million a year. You know it is risky, but you believe that at six cents each the price will be attractive enough to reach one billion sales.

separate answer section

Student Worksheet 5B

SITUATION V

COMPANY DECISION - Option 3

Although the risk was great, Procter & Gamble decided the demand for disposable diapers at six cents each would be about double what was at the ten cent price. The Company felt the increase in the number of diapers sold would make up for the reduced profit per diaper selling at the lower price.

The product was introduced in another test market, Sacramento, California, at the new price. Consumer response was overwhelming! At the new price consumers began using the product regularly. Projections indicated that nationwide sales would reach the one billion per year mark.

Additional markets were opened and the product continued to satisfy an increasing number of consumers. As consumer demand grew in each market, the company made the decision to sell its disposable diaper nationwide.

THE REST OF THE STORY...

Additional manufacturing facilities had to be built to keep up with the demand for this product. Between 1966 and 1970 plants were built in Pennsylvania, Missouri, California and Georgia. Each plant was a large investment for the company, but one it could afford because of the expected profits. Each new plant resulted in money being spent in local communities for land, construction and wages. New jobs were created and orders for goods and services went to hundreds of suppliers.

By 1976 — almost 20 years after one grandfather began to grumble about changing cloth diapers — almost half the babies in the United States were wearing Procter & Gamble's disposable diaper, Pampers.

A key factor in successfully bringing Pampers to market was the solution to the price problem. As the Peoria test market showed, consumers liked the product but the price was too high. A product can meet consumers' needs and wants, but if its price is more than consumers are willing to pay, it will not sell.

Using economic terms, P&G had to solve the problem of price, supply and demand in bringing Pampers to market. The company knew it had to reduce the selling price while maintaining the quality of the product. There was only one way to do this and that was to increase volume. If, instead of 400 million diapers a year, Procter & Gamble could sell a billion Pampers, they could be sold for six cents each. The reasons for this involve some basic economic concepts.

When products are mass-produced, certain costs remain fixed regardless of the number of products manufactured. Administrative cost is an example of a fixed cost. Another example is the cost of product development. If, in the Pampers case, more than twice as many diapers were produced and sold, fixed costs could be spread over the higher diaper volume. The cost of each individual diaper — or unit cost — would then be reduced. With increased volume, Procter & Gamble could exchange a higher profit per unit for a lower profit per unit, but make about the same total profit.

But the Pampers story does not end here...

Procter & Gamble was not the only company to recognize the consumer demand for an effective disposable diaper. Other companies introduced their own brands. This is what competition in the marketplace is all about. Competition forces companies like Procter & Gamble to continue to seek ways to make products more effective at prices acceptable to consumers.

In response to competition in the disposable diaper market, Procter & Gamble has made several improvements to Pampers and to its other disposable diaper, Luvs. In 1984, Pampers and Luvs were improved to have refastenable tapes, double elastic leg gathers and improved absorbency. Ultra Pampers was introduced in 1986. This diaper uses a new lightweight material that makes it only half as thick as other disposable diapers yet it can hold 20 times its weight in liquid.

Each change in the product requires a large investment of time and money. Procter & Gamble must continue to listen to consumers' needs and wants, decide if it can meet these needs and determine if a long-term profit can be made.

You have just discussed the introduction of Procter & Gamble's Pampers disposable diaper. It was a revolutionary concept requiring millions of dollars and many risks to bring the product to market. If the product failed, the company might have faced serious financial difficulty. Its success promises long-term profit to benefit the company.

Unit Five

The Role of Advertising in a Market Economy

Introduction

Advertising in this country was the child of the Industrial Revolution. Our ability to mass-produce products in great quantities at very low prices would have been pointless without an effective method of informing the public, arousing curiosity and reaching mass markets for these mass-produced goods.

By the late 1800's newspapers and magazines had sprung up everywhere. Enterprising manufacturers saw the opportunity to reach great numbers of people by running ads in these publications and publishers saw the chance to get advertising revenue to help pay the costs of publishing.

The arrival of radio in the early 1920's, with networks of stations tied together across the country, marked the next great leap forward in advertising. Radio gave advertising a voice heard by millions. Not long after, in the 1940's, television added video as an advertising medium.

It is not hard to see how advertising and communications grew hand-in-hand. The basic role of advertising in our market economy, however, has never changed. It still informs consumers that a product is available and encourages them to try it by pointing out its benefits. This arms consumers with information on which to base their buying choices among the array of competing products in the marketplace.

This unit of **Insights** offers students a variety of activities to help them learn about the role of advertising:

-A survey and reading point out the benefits of advertising in a market economy.

-Students learn to identify the factors that make ads effective.

-A real-life example lets students explore and evaluate the advertising methods used to promote CREST toothpaste since its introduction in 1956.

-A second case study lets students see how advertising cannot "sell" a product consumers do not want.

-Students learn to analyze and evaluate the effectiveness of current advertising.

This unit of **Insights** can be completed within two class periods. If desired, this unit may be segmented. Teaching suggestions 1 and 2 may be used independently, as can suggestions 3 and 4. Teaching suggestion 5 may be used independently or with any other activity in this unit.

Economic Concepts Covered in this Unit

Advertising and Promotion
Competition
Consumer Choice
Product Information
Cost and Benefit

Objectives

Students who participate in this activity will be able to:

1. explain the role of advertising in providing product information to consumers.

continued on next page

Objectives
(continued)

2. explain how advertising helps lower prices and increases competition.

3. explain why the success or failure of a product in the marketplace is not due solely to advertising.

4. identify advertising appeals.

5. identify the components of an effective ad.

6. explain why advertising is essential to the introduction of new product lines and the success of established brands.

7. explain the steps in the process of creating an ad.

Suggested Teaching Strategies

1. To initiate a discussion on the role of advertising, reproduce and distribute Student Worksheet 1 "How Do You Feel About Advertising?". Have students mark their responses and allow time for class discussion.

2. Reproduce and distribute Student Reading 1 "The Role of Advertising in a Market Economy." Have students compare their responses from their "How Do You Feel About Advertising?" survey to the information contained in the reading. Explore the reasons for any differences. *(Teacher's Note: Instead of distributing this to students, you may wish to use as an overhead or read the points aloud.)*

3. Reproduce and distribute Student Reading 2 "CREST Toothpaste: A Case Study in Successful Advertising." This reading gives background on the development of this product and uses actual print ads to illustrate how advertising can be used effectively to inform consumers. Assign and discuss the questions presented in the reading using the overhead transparencies of the advertisements. *(Teacher's Note: To cut down on in class time, this reading could be a homework assignment.)*

4. To illustrate that a product may fail even if advertised, reproduce and distribute Student Reading 3 "FLING: A Study of Advertising an Unsuccessful Product." Assign and discuss the questions presented in the reading.

5. To provide students with illustrations of advertising appeals, show Overheads 9-15 (ads 9-15). Use Student Worksheet 2 "What is the Ad Telling Me?" to focus on the appeal used and the ad's overall effectiveness. A brief summary of some advertising appeals as well as the appeals used in ads 9-15 are provided at the end of this unit for teacher background information. Encourage students to provide additional examples of ads demonstrating various advertising appeals.

6. To sharpen students' skills at analyzing ads use any of the following activities:

I. To analyze print ads
a. Assign students to bring in one or more print ads (or reproduce one print ad for a class discussion).
b. Reproduce and distribute Student Worksheet 2 "What is the Ad Telling Me?"
c. Instruct students to complete the worksheet.
d. Discuss students' reactions to the effectiveness of the ads. How do they rate the ads regarding information provided, attention-getting, value, etc. What product fact is featured in each ad?

II. To analyze television ads
a. Videotape ads for different products.
b. Reproduce and distribute Student Worksheet 2 "What is the Ad Telling Me?"

continued on next page

Suggested Teaching Strategies
(continued)

c. Instruct students to complete the worksheet.
d. Discuss students' reactions to the effectiveness of the ads. How do they rate the ads regarding information provided, attention-getting, value, etc. What product fact is featured in each ad?

III. To compare ads of the same product line
a. Use print or video ads to illustrate how different brands of the same product are advertised.
b. Reproduce and distribute Student Worksheet 2 "What is the Ad Telling Me?"
c. Instruct students to complete the worksheet.
d. Discuss students' reactions to the effectiveness of the ads. Which are more effective and why?

IV. To compare ads for the same product
a. Use print or video ads to illustrate how manufacturers employ different ads to inform consumers about a product.
b. Reproduce and distribute Student Worksheet 2 "What is the Ad Telling Me?"
c. Instruct students to complete the worksheet.
d. Discuss students' reactions to the effectiveness of the ads. Which are more effective and why?

7. To assist students in understanding the process of creating a product's advertising, have them review Student Reading 4 "How Is Advertising Created?" Assign students to complete Student Worksheet 3, "Advertising, Step-By-Step", as they read.

Student Worksheet 1

HOW DO YOU FEEL ABOUT ADVERTISING?

Respond to each of the following statements:

	Agree Strongly	Agree Somewhat	Undecided	Disagree Somewhat	Disagree Strongly
1. Advertising helps lower prices.					
2. Advertising makes people buy things they don't need or want.					
3. Advertising reduces competition.					
4. Advertising can make up for poor product quality and therefore keep a poor product on the market.					
5. Advertising contributes to giving consumers more choices.					
6. Advertising is not based on facts about a product.					
7. Advertising influences the quality of products.					
8. Advertising helps consumers make wise choices.					

R

Student Reading 1

THE ROLE OF ADVERTISING IN A MARKET ECONOMY

Simply put, advertising is the way business talks to potential customers about a product or service. Advertising is marketing's most visible form of communication. Its purpose is to inform, to persuade and to remind. This is done by attempting to stimulate consumer interest in using a product by presenting its benefits in an attention-getting and memorable way. Television, radio, magazines, newspapers and direct mail are most frequently used for consumer advertising.

There are many good products that compete in a free and open marketplace. Advertising helps bring the manufacturer's message to consumers in hopes of influencing consumer choice. But advertising is not magic. While it is the most effective and least expensive way of telling people about a product, it cannot continue to sell the product to a disappointed consumer. Manufacturers know very well that consumers can switch brands very easily. Without repeat sales, a company stands to lose millions of dollars. Manufacturers must "deliver" on their product claims or they will lose the loyalty of consumers.

You used Student Worksheet 1 "How Do You Feel About Advertising?" to react to the statements discussed below. To what extent did your opinions match the opinions expressed in this reading?

1. **Advertising helps lower prices.** Since advertising can help build consumer demand, manufacturers can sell higher quantities of product. In this way companies can produce more with a lower production cost per unit. To remain competitive, companies need to sell products at a price consumers are willing to pay. Lower production costs usually result in lower selling prices.

2. **Advertising makes people buy things they don't need or want.** The consumer decides whether or not to buy. Ads can inform and persuade, but the consumer makes the final decision.

3. **Advertising reduces competition.** Actually, advertising tends to increase competition. As advertising spreads the word and the demand for a product increases, more producers will try to meet consumers' needs.

4. **Advertising can make up for poor product quality and therefore keep a poor product in the market.** Advertising may be able to persuade a consumer to purchase a product once, but if the consumer is not satisfied, no amount of advertising will encourage additional purchases.

5. **Advertising contributes to giving consumers more choices.** Since advertising increases competition, more products are sold in the marketplace and consumers have a broader choice.

6. **Advertising is not based on facts about a product.** All claims about a product's performance must, by law, be based on facts. Advertising from reputable companies reflects this.

7. **Advertising influences the quality of products.** Advertising tends to increase product quality. With so many competing brands, it is easy for customers to switch. Competition forces manufacturers to maintain and improve quality or lose repeat sales.

8. **Advertising helps consumers make wise choices.** Advertising informs consumers about a product and what it does. Consumers can use this information to compare products and choose those that meet their needs.

The key to any successful advertising effort is the product itself. No matter how good an advertising campaign is, a product will fail in the marketplace if it is 1) a product of poor quality, 2) a quality product that does not interest consumers or 3) a product that is priced too high for potential consumers.

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Student Reading 2

CREST TOOTHPASTE: A CASE STUDY IN SUCCESSFUL ADVERTISING

This case study illustrates how Procter & Gamble used advertising and promotion to 1) inform consumers of the benefits of using CREST, its decay-fighting toothpaste and 2) to make consumers aware of changes in CREST'S formula over the years.

As you read this case study, remember these basic points about advertising:

—The first job of advertising is to tell consumers the product is available.

—Advertising tries to attract those who have a natural interest in the product and tries to get them to try it by telling them how it will perform.

—Advertising must be informative and truthful. If ads promise more than the product can deliver, or mislead in any way, the disappointed consumer will not buy the product again.

—Most importantly, advertising is not magic. It is part of the marketing process which, to be successful, must be based on a worthwhile product. A poor product will fail in the marketplace regardless of how well it is advertised.

The story of CREST toothpaste began more than 20 years before the product was made available to consumers.

In the late 1930's Procter & Gamble dental health researchers and market researchers reached an important agreement about toothpaste. If Procter & Gamble could find an ingredient that reduced the chance of tooth decay and placed it in a pleasant-tasting and properly priced toothpaste, consumers would buy the product. Procter & Gamble believed the enormous investment of time, money and resources would be well worth it. They felt that a toothpaste that fought cavities would offer a health benefit to consumers and generate long-term profits for the company.

In the product development stage, many theories about how to prevent tooth decay were explored before the answer was found. After years of research, a compound called stannous fluoride was proven to be effective in preventing tooth decay. Numerous long-term studies with children and adults were then conducted. The results were very clear. People who brushed with toothpaste containing stannous fluoride had significantly fewer cavities compared to people using the same toothpaste without the fluoride formula.

CREST was the name chosen for the new toothpaste. Test marketing began in 1955 and expanded to national distribution in 1956. Although CREST sales were good when it was introduced, CREST'S popularity began to decline in the face of stiff competition.

The basic problem was that CREST'S benefit — reduced cavities — was not easy for consumers to see. Procter & Gamble decided consumers needed to hear about CREST benefits from an authority they would believe. Beginning in 1954 Procter & Gamble submitted the results of the company's extensive clinical tests to the American Dental Association (ADA). The ADA had a review panel that evaluated the effectiveness of dental products. However, the ADA was generally suspicious of toothpaste claims and had never endorsed the use of a particular toothpaste. Procter & Gamble sought to convince the ADA of CREST effectiveness through the mounting evidence of clinical studies.

CREST's effectiveness in reducing cavities was so convincing that in 1960, the American Dental Association recognized CREST toothpaste as an effective decay preventative dentifrice "when used in a conscientiously applied program of oral hygiene and regular professional care." CREST was a significant breakthrough in decay prevention. Procter & Gamble needed to tell potential

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Student Reading 2
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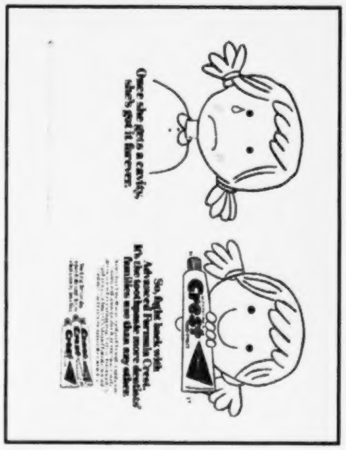
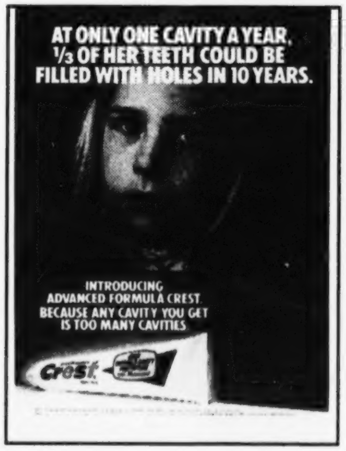
buyers CREST would help reduce cavities. Procter & Gamble decided to highlight the American Dental Association's endorsement of CREST. **Ad 1 is an example of one advertisement used by Procter & Gamble.**


Once she gets a cavity, she's got it forever.
So, fight back with Advanced Formula Crest. It's the toothpaste more dentists' families use than any other.
Crest
Crest
Crest
Crest

Ad 1

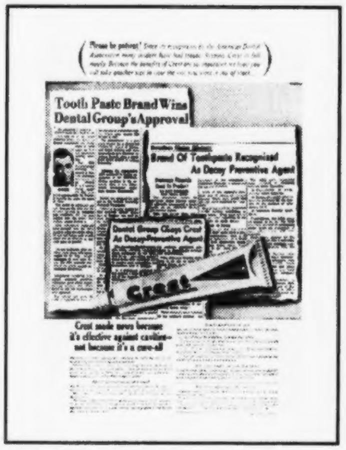
This advertising campaign was so effective CREST sales doubled the first year following ADA endorsement and tripled in its second. Although CREST was selling far better than any of its competitors, Procter & Gamble knew additional product development was necessary. The competition would soon be able to match CREST's effectiveness unless Procter & Gamble continued to look for a more effective formula. Between 1955 and 1977 more than 75 fluoride formulations were tried before Advanced Formula CREST with Fluoristat, a new cavity fighting system, was tested from 1977-1980. Almost 5000 children were involved in the largest clinical study ever done on a toothpaste. The study showed children who brushed with Advanced Formula CREST had significantly fewer cavities than those who used the original CREST. The new CREST formula, also endorsed by the American Dental Association, was introduced in 1981. Again, Procter & Gamble wanted to make consumers aware of the significant improvement in CREST. The company's strategy was to build on consumers' trust of original CREST and to show that Advanced Formula CREST was even better in reducing cavities. American Dental Association acceptance of the new formula CREST appeared in the ads as well. **Ads 2,3 and 4 illustrate the approach used in advertising the new formula CREST.**


AT ONLY ONE CAVITY A YEAR, 1/3 OF HER TEETH COULD BE FILLED WITH HOLES IN 10 YEARS.
INTRODUCING ADVANCED FORMULA CREST. BECAUSE ANY CAVITY YOU GET IS TOO MANY CAVITIES.
Crest

Ad 2

Brush up on the evidence and you'll end up with Advanced Formula Crest on your brush.
1.
2.
3.
4.
5.
6.
7.
8.
Crest
Crest
Crest
Fight cavities with the best Crest yet.

Ad 3


Tooth Paste Brand Wins Dental Group's Approval
Brand Of Toothpaste Recognized As Decay Preventive Agent
Dental Group Chops Crest As Decay-Preventive Agent
Crest
Crest made news because it's effective against cavities—not because it's a cure-all

Ad 4

Competition in the marketplace forced Procter & Gamble to continue experimenting with new formulas for CREST. In 1985 the company introduced the first tartar control formula toothpaste, CREST Tartar Control Formula. The company recognized tartar was something few people understood and most people were loyal to their regular toothpaste. To add to the confusion, competitors were claiming their toothpastes reduced plaque. While this statement is true (all toothpastes reduce plaque), most consumers thought plaque and tartar were the same thing. How would Procter & Gamble persuade consumers that CREST Tartar Control Formula was a worthwhile product? Extensive advertising and promotional strategies were used to educate consumers. A major promotion to introduce the new toothpaste was mailing product samples and information about tartar to over 70% of U.S. households. **Ad 5 *(see next page)* was used to demonstrate what tartar is by showing the dental tools dentists use to scrape tartar from teeth.**

Procter & Gamble's market and laboratory research continues. Mint flavors and gels have been introduced. Pumps are offered as well as tubes. New formulas for fighting cavities and tartar are

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Student Reading 2
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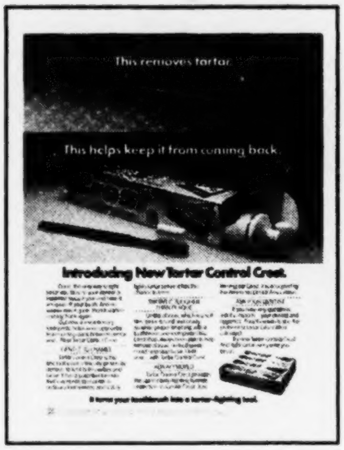
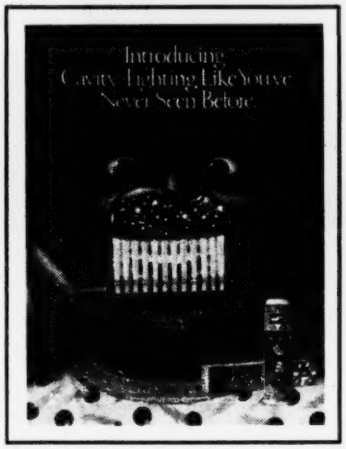

This removes tartar.
This helps keep it from coming back.
Introducing New Tartar Control Crest.

Ad 5


Introducing Cavity-Fighting Like You've Never Seen Before.

Ad 6

Introducing a toothpaste that tastes so great kids will rush to brush.

Ad 7

constantly being sought. Most recently, a new CREST formula called CREST for Kids was introduced. The new product features CREST'S decay-fighting formula in a taste designed to please children. The company had to design ads that would convince consumers of two things: 1) the product was effective against cavities and 2) its flavor would encourage children to brush longer and more effectively. **Ads 6 and 7 were used by Procter & Gamble to introduce CREST for Kids toothpaste.**

The success of CREST toothpaste was not due only to its advertising. Although ads inform consumers about a product and what it does, it is through repeat sales that a product's success can be measured. A creative advertising and promotion strategy may be able to persuade consumers to buy a product once. However, if the product does not meet consumers' needs, or is priced higher than consumers are willing to pay, the product will fail the test of the marketplace.

Refer to Ad 1 to answer the following questions:

1. What message was Procter & Gamble trying to give consumers in this ad? How were consumers to benefit by using CREST?

2. Why did Procter & Gamble choose to highlight CREST'S endorsement by the American Dental Association?

3. Was the ad effective? Would it get you to try the product? Why/why not?

continued on next page

Refer to Ads 2, 3 and 4 to answer the following questions:

4. What message was Procter & Gamble trying to give consumers in these ads? How were consumers to benefit by using Advanced Formula CREST?

5. Why do you think children are often pictured in CREST ads?

Refer to Ad 5 to answer the following questions:

6. What special problem did Procter & Gamble face in advertising this new formula?

7. What other promotion techniques did Procter & Gamble use?

Refer to Ads 6 and 7 to answer the following questions:

8. Which ad do you find most effective? Why?

9. Why did Procter & Gamble need to stress both cavity-fighting and flavor in its CREST for Kids ads?

10. Based on your knowledge of the role of the consumer in our market economy, explain the major reason for the success of CREST toothpaste.

R

Student Reading 3

FLING: A CASE STUDY OF ADVERTISING AN UNSUCCESSFUL PRODUCT

There are those who think that advertising and promotion can be used to "trick" consumers into buying products they don't really want. Creative and innovative ads can persuade consumers to try a product once but the history of the American marketplace shows that disappointed consumers will not purchase an unwanted product again. The proof of this statement is to look at the number of products that fail because consumers say "no."

Some experimental products are abandoned early in the product development stage and never make it out of a laboratory. Of the products that make it to a test market, half will never make it into national distribution. Again, only about half of the products sold nationally will survive for any length of time. With good reason, sellers consider consumers to be the regulators of the marketplace.

Companies don't like to talk about their failures but all have them. FLING, a disposable dish-washing cloth that contained detergent, is an example of such a product.

In the early 1960's Procter & Gamble's market research on dishwashing showed consumers 1) wished there was a way to get continuous cleaning action throughout the dishwashing process which would provide fresh, clean, hardworking suds and 2) were unhappy with the use of dishcloths which could be unsanitary and unsightly. Procter & Gamble felt that consumers would buy a one-time-use disposable dish-washing cloth with a built-in detergent that could hold up under heavy dishwashing conditions. Procter & Gamble's labs developed a completely new resin-bonded paper which would not disintegrate in water. A dry detergent was added to the paper which would be gradually released during washing.

This revolutionary new way of doing dishes was introduced to consumers in a test market. Ads were used to announce the arrival of FLING.

Strong initial sales indicated FLING would be a successful product. However, after trying FLING, consumers did not make repeat purchases. Sales declined precipitously giving Procter & Gamble a clear signal not to go ahead with this product. The test market was discontinued. Needless to say, FLING never made it to supermarket shelves across the country.

Why did this product fail? Perhaps FLING did not offer consumers a sufficiently compelling reason to switch from their current way of doing dishes with a liquid dishwashing detergent or perhaps consumers weren't ready for a dishwashing product in this form. While FLING'S ads stressed freshness and disposability, consumers did not respond to this message.

Whatever the reasons, consumers, the controllers of the marketplace said "no" to FLING. As a result, FLING, like thousands of other product ideas, vanished.

continued on next page

R

Student Reading 3
(continued)

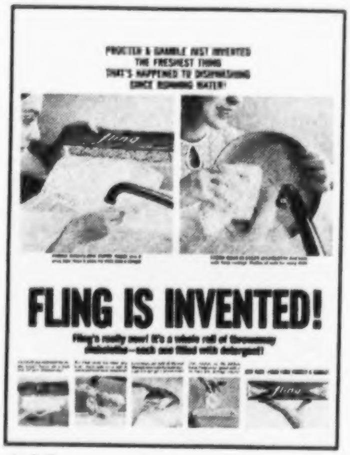
Refer to Ad 8 to answer the following questions.

1. What message was Procter & Gamble trying to give consumers in this ad?

2. Based on this ad, would you have tried this product? Why/why not?

3. Based on your knowledge of the role of the consumer in a market economy, why did this product fail the test of the marketplace?

4. Fling was test marketed in 1965. If Fling were to be reintroduced by Procter & Gamble today, what advertising message would you recommend giving to consumers? Why?


PROCTER & GAMBLE JUST INVENTED
THE FRESHEST THING
THAT'S HAPPENED TO DISHWASHING
SINCE RUNNING WATER!
fling
FLING IS INVENTED!
fling

Ad 8

W

Student Worksheet 2

THE ROLE OF ADVERTISING IN A MARKET ECONOMY

What Is The Ad Telling Me?

1. What Type of Product is This?

2. What Is The Brand Name?

3. Who Is The Manufacturer?

4. How Will I Benefit By Buying This Product?

5. How Does This Ad Try To Get My Attention?

6. Is This An Effective Ad? Why/Why Not?

R

Student Reading 4

HOW IS ADVERTISING CREATED?

In this **Insights** series, we learned how a company determines what kind of products consumers say they would like to have, how a product is developed incorporating the benefits consumers request and how a product is put on the market. Now we will see how advertising is created to communicate product benefits to the public.

When advertising people talk about creating a series of ads, they call it a "campaign." That is because it takes time to get people's attention and persuade them to try a product. Just one ad usually will not do it. Not every potential consumer will see the ad the first, second or even the third time it appears. And, in the meantime, a competitive ad may capture the attention of potential buyers. Even those people who see the ad may quickly forget it, so it may take many ads to remind them of the product and its benefits. That is why advertisers repeat their product messages.

Since the success or failure of a product is in the hands of the consumer, the most important rule for the people who create advertising is this: Know the product and the consumer. Find out how the consumer lives, how the product fills the consumer's needs, how other products appeal to the consumer; learn how the consumer talks so your ads will use language that the prospective buyer feels at home with and easily understands.

This reading will take you step-by-step through what a business (sometimes called the client) and an advertising agency might do when they get together to create an ad campaign. It focuses mainly on the creation of a television commercial.

Step 1 - Fact Gathering Session

The first step is for the client to acquaint the ad agency with all available information on the product — what it contains, what it has been designed to do, its special characteristics, performance capabilities and benefits. The research, development and manufacturing of the product will also be discussed. The primary objective is to make sure the agency fully understands the product, what it does and the consumer market for which it was designed. Additionally, both client and agency agree on what they want the advertising to accomplish.

The client and the advertising agency will work together as the ad campaign is developed. Once underway, they will check with each other. For example, sales results will be monitored to determine if the ads are effective. Sometimes changes in the ads will be considered if market condition require a different approach. Close communication between business and ad agency is essential. They will meet periodically to discuss such topics as:

- How well the product is selling.
- How business conditions have changed.
- What competitors are doing, such as marketing products with new ingredients, special promotions or price changes.
- What new market research results are available which might reveal changes in consumer wants and needs.
- What product improvements have been made that might be the focus of a new advertising campaign.

Step 2 - Developing Strategy

The strategy for the ad campaign is developed from facts about the product. The first step in creating an ad is to determine:

1) the central message the ad is to deliver.
2) the target audience to whom the ad is to appeal.
3) the principal benefit inherent in the product.

continued on next page

4) the reason the product delivers these benefits.

The central message usually will come from the market research which shaped the product development. For example, in the case of Head & Shoulders shampoo, market research had revealed a desire for a dandruff-controlling shampoo that would be pleasing to use and would leave hair soft and manageable. Two advertising slogans for this product convey the product's benefits. A slogan used when the product was introduced was "Head & Shoulders...Strong and Gentle...Hates Your Dandruff, Loves you Hair." A slogan used as part of a 1988 ad campaign was "Head & Shoulders...Because you Don't Get a Second Chance to Make a First Impression."

Step 3 - Creating the Commercial

Advertising time and space are expensive. Ads must be economical — that is, they should deliver the maximum message and make the best use of time and space. Most television commercials are 30 seconds long. Advertising copywriters know they will have about 70 words to tell the story of the product's benefit.

In addition to words, television and print ads will have pictures to demonstrate the product's advantages. Copywriters make rough sketches of the pictures that fit the words. The ideas are refined and an art director prepares a series of drawings, called a "storyboard". A "storyboard" is used for television ads and shows what the pictures will be like on the television screen. The producer is responsible for photographing and recording the commercial. He or she must decide if it can be done at a price the business is willing to pay.

The next step is to show the copy and storyboard to another agency specialist, the producer who will ultimately film it. The producer tells the copywriter and artist whether or not their concept is workable and if it can be produced at an affordable price.

When the copywriter, art director and producer are in agreement, the storyboard is shown to the executive in charge of the client's account. If he or she approves, the storyboard and production plans are presented to the client. This step is critically important because this is when the client determines if the commercial is an accurate and persuasive presentation. We have been talking here about a single commercial. (In most cases, several alternate versions of a commercial will be presented for approval.)

Step 4 - Legal and Network Approval

The storyboard will be shown to the agency's and the client's lawyers to be sure it meets all company standards as well as those set by the government mainly in respect to accuracy and to guard against misleading statements. The ad agency will also submit the commercial to the television networks who must approve it before airing, again mainly for accuracy.

Step 5 - Producing the Commercial

The next step is to find the people who will appear in the commercial. In most large agencies this is handled by a casting director. The producer sets the production schedule covering when and where the commercial will be filmed. Depending on the commercial, the filming can sometimes be completed in one day, other times filming may take two or three days.

After the filming is finished the producer and others review the commercial, choose the best of several versions and make sure it fits the time allotted. The commercial is then reviewed with the account executive and finally with the client.

When both the client and the ad agency have agreed on the commercial, the producer may still have more technical work to do, such as putting in sound effects.

Step 6 - Testing the Commercial

Many businesses and ad agencies test commercials with typical consumers before putting them on

continued on next page

the air. Although there are many ways of testing, the objective is to get reactions from many different people. This is often done by showing the commercial to groups of people and asking them to comment on it. Do they understand it? Do they believe it? Do they think it is accurate?

Another way of testing commercial is to show it once in several cities and then telephone people the next day to ask them what they remember about it.

The whole idea behind testing the commercial is to find out whether potential consumers find the message clear, believable and important. If the ad passes the test on these three points, there is a good chance it will be successful. If it fails on any of the three, it is a signal that something is wrong and should be changed.

Step 7 - Planning the Media

While all the work of creating and producing the commercial has been taking place, another very important process has been going on. The ad agency's media specialists have been choosing the television programs and markets or cities where the commercial will appear. For example, suppose the product is a new line of cosmetics to be sold nationwide and the target consumers are women between 18 and 40.

With these guidelines in mind, the media specialist will think along these lines:

- Probably the most efficient way to reach this nationwide audience is by running the commercials on one or more of the three major networks.

- The media specialist will next try to determine which programs would attract the most women between 18 and 40 — news, daytime programs, movies, comedies, documentaries and so on. The media specialist consults with the networks to find out advertising costs and with rating services to find out how many people watch a particular show.

- The media specialist has two costs to consider. One is total cost, which must stay within the budget for the advertising campaign. The other is called cost-per-thousand, or the cost of reaching one thousand people with the commercial. Suppose a commercial on a certain show costs $100,000 and ratings indicate that ten million potential buyers of your cosmetics watch the show. That means that it costs $10 to reach 1,000 people — or one cent to reach each person. Another show might charge $100,000 but reach fewer potential buyers. In this case, the cost per thousand increases. As you can see, it is important for the media specialist to know what kind of people watch each show and how many of them are prospects for the product offered in the commercial.

- The media specialist also needs to know the demographics of a show being considered. Demographics means the characteristics of the people who watch the show — for example, how many men and women, how many fall within the 18-40 age group.

When all this background information has been assembled, the media specialist writes a detailed recommendation for the client — telling where the commercials will be shown, how often, how many viewers they will reach, the cost per thousand viewers and the total cost of the campaign.

Step 8 - On the Air

Now all of the agency's work — the commercial itself, the media recommendations and any promotion ideas — are presented to the client for final approval. When the client approves the plan the commercial will be aired.

Teacher Background

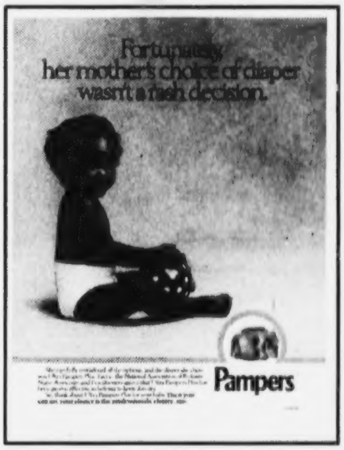
ADVERTISING APPEALS

Ads 9 (Pampers) and 10 (Jif) employ the bandwagon technique. This advertising method says great numbers of people are using the product and are satisfied. The reader is, therefore, urged to "join the crowd" and benefit from use of the product.

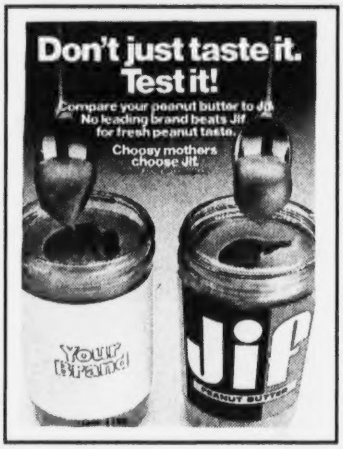
Ads 11 (Pampers) and 12 (Cheer) are examples of testimonial advertising. This type of ad uses statements and/or endorsements by people or organizations who are either well-known or regarded as experts. Testimonial ads indicate these people have used the product and have found it to be beneficial. Note that Ad 10 also contains a testimonial appeal.

Ads 13 (Cascade) and 14 (Sure) are examples of the appeal known as glittering generalities. In ads of this type, very little specific information is supplied but the feeling that use of the product is beneficial is conveyed.

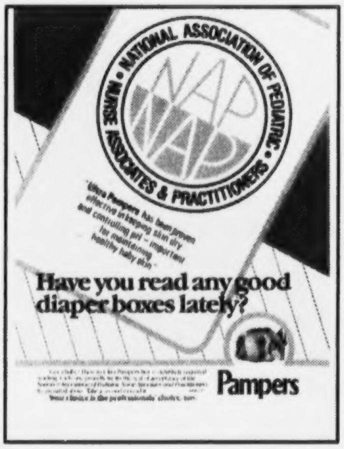
Ad 15 (Scope) illustrates the slice of life technique. This type of advertising is similar to testimonial but does not rely on celebrities or nationally recognized organizations for endorsement. In Ad 15 ordinary-looking people in a real life situation are depicted using the product.


Fortunately her mother's choice of diaper wasn't a rash decision.
Pampers

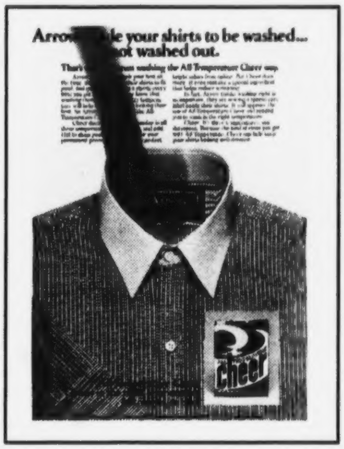
Ad 9


Don't just taste it. Test it!
Compare your peanut butter to Jif. No leading brand beats Jif for fresh peanut taste.
Choosy mothers choose Jif.
Your Brand
Jif
PEANUT BUTTER

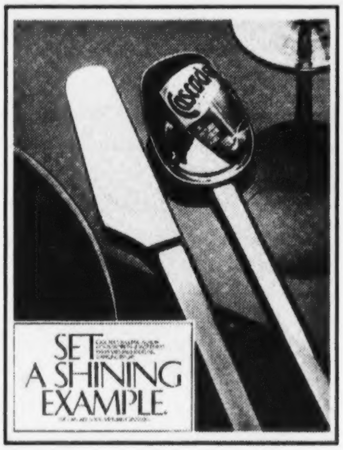
Ad 10


NATIONAL ASSOCIATION OF PEDIATRIC NURSE ASSOCIATES & PRACTITIONERS
NAP NAP
Have you read any good diaper boxes lately?
Pampers

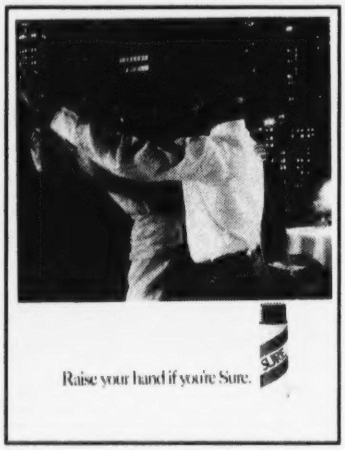
Ad 11


your shirts to be washed... not washed out.
Cheer

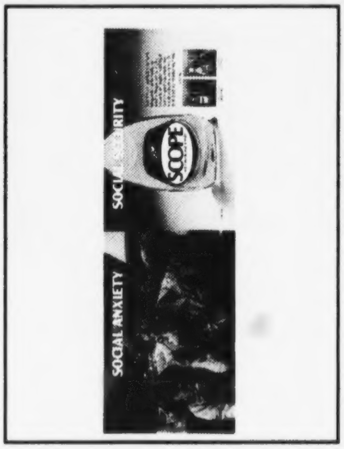
Ad 12


Cascade
SET A SHINING EXAMPLE.

Ad 13


Raise your hand if you're Sure.
SURE

Ad 14


SOCIAL SECURITY
SCOPE
SOCIAL ANXIETY

Ad 15

W

Student Worksheet 3

ADVERTISING, STEP-BY-STEP.

Complete this chart to sum up the facts you know.

Steps in preparing an ad campaign	**What happens during this step?**
1. Fact Gathering Session	
2. Developing the Strategy	
3. Creating the Commercial	
4. Legal and Network Approval	
5. Producing the Commercial	
6. Testing the Commercial	
7. Planning the Media	

Glossary

advertising and promotion	Activities that publicly communicate about a particular product to create or increase demand for that product.
choice	A selection among alternatives caused by scarcity.
competition	The independent actions of two or more sellers (businesses or individuals), to make their goods or services more attractive to consumers than those of other sellers.
consumer	Individuals or groups of people willing and able to buy selected goods and services.
consumer choice	People's selection of goods or services to satisfy their wants, needs and preferences.
cost and benefit	A process of decision-making in which people select the alternative(s) that maximize their satisfaction and/or minimize their unhappiness.
demand	The willingness of consumers to buy a good or service at a given price.
distribution	A component of the marketing process in which products are made available to consumers in the desired quantities.
exchange	The act of trading one good or service for another, either by barter or through the use of a medium of exchange (money). When people make an exchange, they give up something they value for some other thing they value more.
manufacturing	The actual creation of a finished product (output) from productive resources (input).
market clearing price	A relatively stable price at which the quantity of a good or service demanded equals the quantity supplied.
marketing	The process by which goods and services are brought to the marketplace. Activities in the marketing process include market research, product research and development, manufacturing and distribution and advertising and promotion.
market research	A systematic assessment of people's wants and needs in the marketplace. Surveys, questionnaires and direct observation are examples of market research techniques.
opportunity cost	The value of the benefit given up by choosing one alternative rather than another.

price	The value (usually in dollar terms) placed on goods or services exchanged.
producer	One who transforms productive resources from something of lesser value to something of greater value.
product information	Characteristics of a good or service that help a potential consumer make a choice. Product information is usually a scarce good and is costly to acquire.
product research and development	The work of creating a new product or improving an old one to meet consumers' current needs and wants as determined by market research. This often involves various scientific disciplines.
profit	The total amount of money that an individual or company receives from the sale of a good or service minus all costs of doing business.
scarcity	The problem created by the limited availability of resources to produce goods and services and the unlimited desires for those goods and services.
supply	The quantity of a good or service in the marketplace available for purchase at a given price.
utility	The total amount of satisfaction a consumer receives from the use (consumption) of a good or service.

Front Pocket

Student Worksheets and Readings

Unit Two

Student Worksheet 1 "Consumer Hair Care Survey"
Student Worksheet 2 "The Marketing Cycle"
Student Worksheet 3 "The American Consumer: Key to Success in our Market Economy"
Student Reading 1 "A Case Study of Consumers and the Marketing Cycle in Action: Head & Shoulders Shampoo"

Unit Three

Student Reading 1 "Tide: A Case Study in Responding to Consumers"
Student Worksheet 1 "Tide"
Student Worksheet 2 "General Trends"
Student Worksheet 3 "Hypothetical Questions"

Unit Four

Student Worksheet 1A "Situation I - Options"
Student Worksheet 1B "Situation I - Company Decisions"
Student Worksheet 2A "Situation II - Options"
Student Worksheet 2B "Situation II - Company Decisions"
Student Worksheet 3A "Situation III - Options"
Student Worksheet 3B "Situation III - Company Decisions
Student Worksheet 4A 'Situation IV - Options"
Student Worksheet 4B "Situation IV - Company Decisions"
Student Worksheet 5A "Situation V - Options"
Student Worksheet 5B "Situation V - Company Decisions"
Student Worksheet 6 "The Rest of the Story"

Unit Five

Student Worksheet 1 "How Do You Feel About Advertising?"
Student Reading 1 "The Role of Advertising in a Market Economy"
Student Reading 2 "Crest Toothpaste: A Case Study in Successful Advertising"
Student Reading 3 "Fling: A Case Study of Advertising an Unsuccessful Product"
Student Worksheet 2 "What is the Ad Telling Me?"
Student Reading 4 "How is Advertising Created?"
Student Worksheet 3 "Advertising, Step-by-Step"

Back Pocket

Overheads

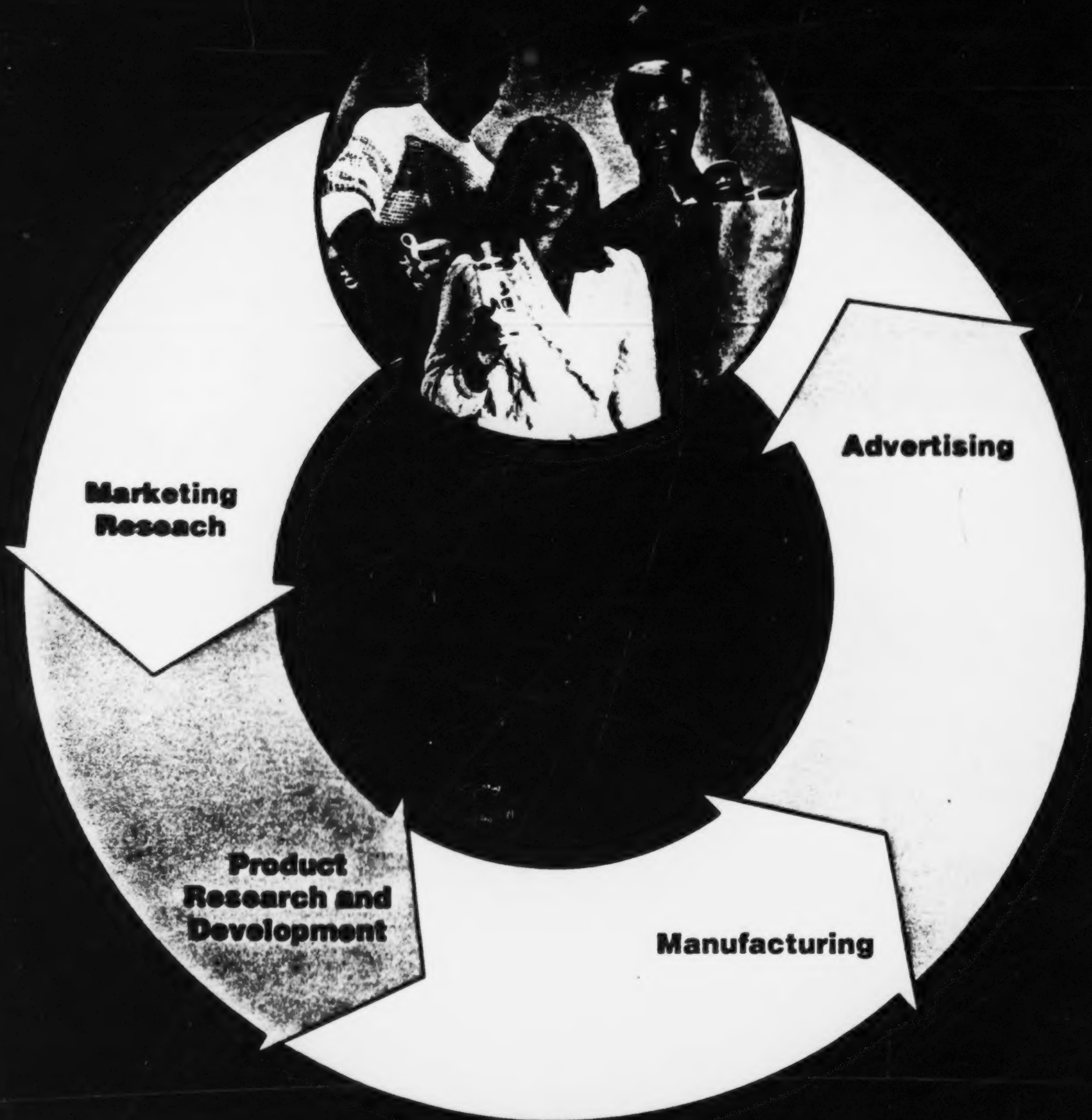
Unit Two

Overhead 2.1 "The Marketing Cycle"

Unit Five

Overhead 5.1 "Ad 1: Crest ADA"
Overhead 5.2 "Ad 2: Crest Advanced Formula"
Overhead 5.3 "Ad 3: Crest"
Overhead 5.4 "Ad 4: Crest"
Overhead 5.5 "Ad 5: Crest Tartar Control"
Overhead 5.6 "Ad 6: Crest for Kids"
Overhead 5.7 "Ad 7: Crest for Kids"
Overhead 5.8 "Ad 8: Fling"
Overhead 5.9 "Ad 9: Pampers"
Overhead 5.10 "Ad 10: Jif"
Overhead 5.11 "Ad 11: Pampers NAP NAP"
Overhead 5.12 "Ad 12: Cheer"
Overhead 5.13 "Ad 13: Cascade"
Overhead 5.14 "Ad 14: Sure"
Overhead 5.15 "Ad 15: Scope"

THE AMERICAN CONSUMER: KEY TO OUR MARKET ECONOMY

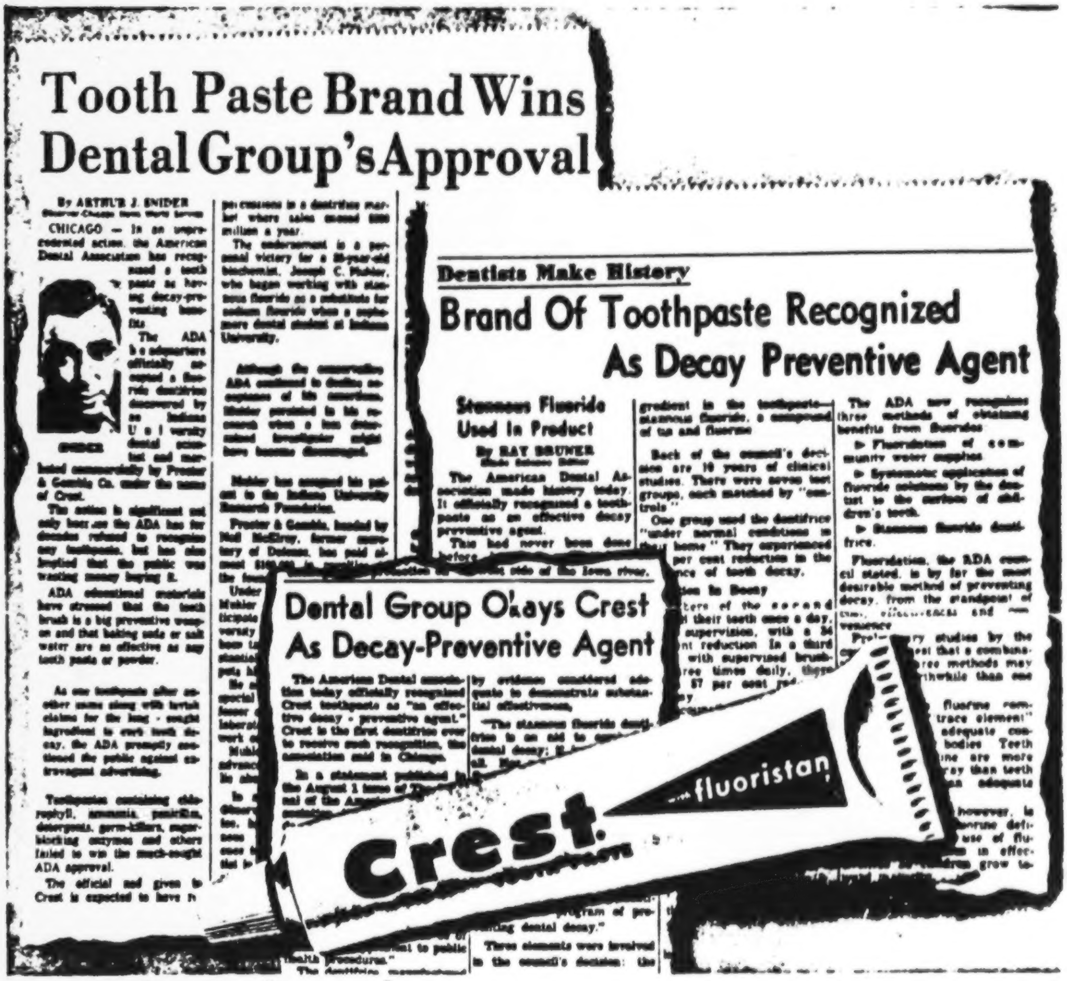

Advertising
Marketing Reseach
Product Research and Development
Manufacturing

What is the function of each of these steps?

How are the consumers considered in each activity?

The Post & Times-Star

(**Please be patient!** *Since its recognition by the American Dental Association many dealers have had trouble keeping Crest in full supply. Because the benefits of Crest are so important, we hope you will take another size in case the one you want is out of stock.*)


Tooth Paste Brand Wins Dental Group's Approval
By ARTHUR J. SNIDER
Dentists Make History
Brand Of Toothpaste Recognized As Decay Preventive Agent
Stannous Fluoride Used In Product
By RAY BRUNER
Dental Group Okays Crest As Decay-Preventive Agent
Crest
fluoristan

Crest made news because it's effective against cavities—not because it's a cure-all

The more you read the clippings above, the more you realize that now you can do something about tooth decay with a toothpaste.

"Dentifrice found to prevent decay . . . won recognition from the American Dental Association . . . never done before." These are some of the words the nation's press used this month to tell the news of the American Dental Association's recognition of Crest* as effective against cavities.

Effective against cavities but not a cure-all

But, effective as this stannous fluoride toothpaste has proved to be, there's a lot more to good dental health than just squeezing Crest on your toothbrush.

The real key is not the use of Crest alone. But the use of Crest as part of a dental program.

The American Dental Association spelled this out in their official statement: *"Crest has been shown to be an effective anti-decay dentifrice that can be of significant value when used in a conscientiously applied program of oral hygiene and regular professional care."*

Rules for dental health still apply

And that, of course, means the complete dental program your dentist has always recommended for dental health.

1. *You still should brush regularly.* After each meal is best.
2. *You still should brush right.* Away from the gums. And make sure you brush every tooth—especially the back ones.
3. *You still should watch those treats between meals.* Between-meal treats can be overdone. Be sure to follow your dentist's advice.
4. *You still should see your dentist twice a year.* Give him a chance to spot trouble early and stop it before it gets headway.

Don't expect miracles—do expect fewer cavities

As the American Dental Association says, "Crest has been shown to be effective" (when you use it right and use it regularly). So team it up with the right kind of dental program and start reducing your family's cavities now.

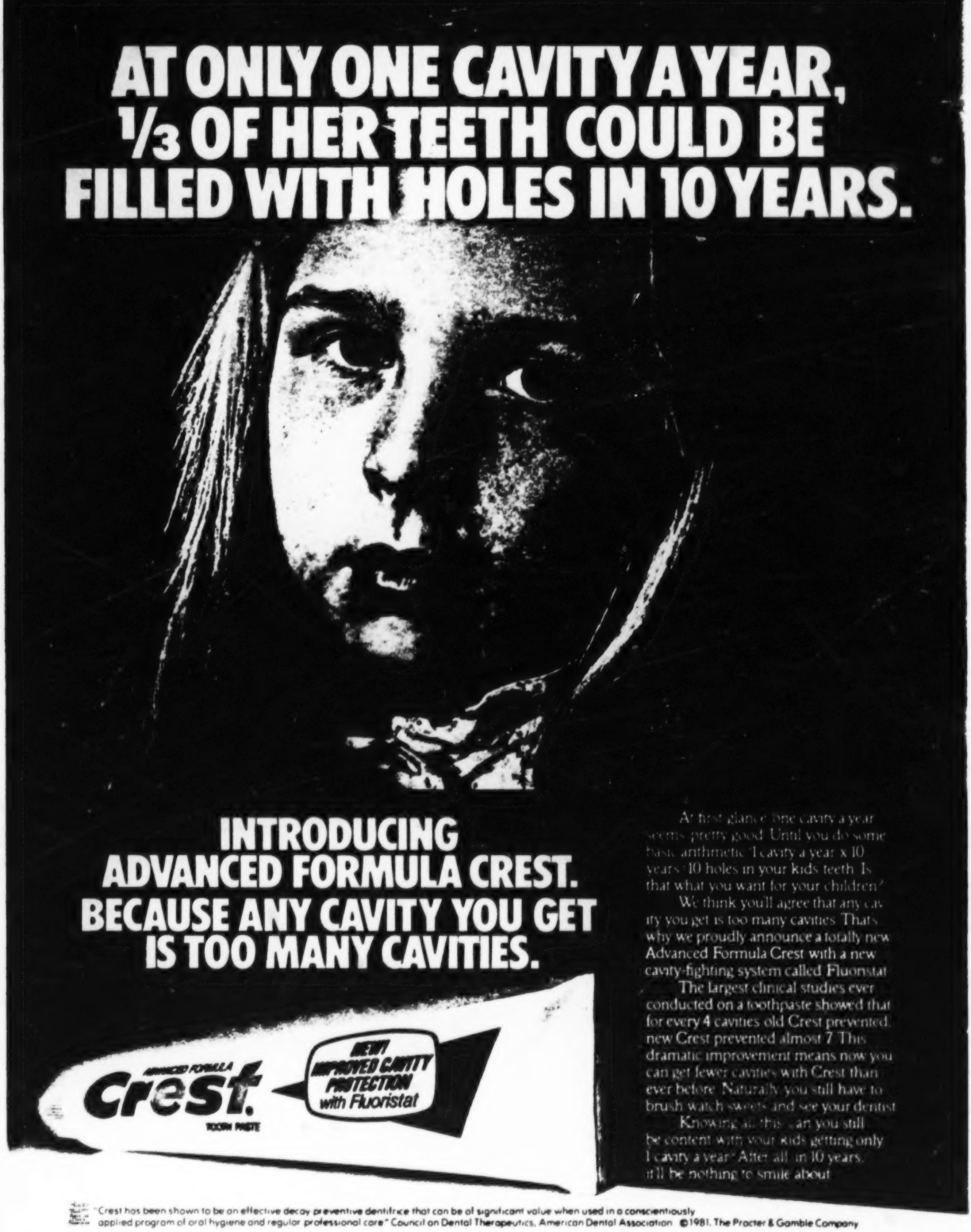
Why is Crest different from other toothpastes?

The answer is simple. The thing that makes Crest different is Fluoristan*—an exclusive stannous fluoride formula.

Stannous fluoride, you know, is a decay-fighter dentists themselves use to prevent cavities. With Crest you put the same fluoride on your teeth at home every time you brush.

The effectiveness of the fluoride in Crest has been proved by years of tests. Tests in which Crest had to prove [illegible] regular toothpaste [illegible] after [illegible].

[illegible]



AT ONLY ONE CAVITY A YEAR, 1/3 OF HER TEETH COULD BE FILLED WITH HOLES IN 10 YEARS.

INTRODUCING ADVANCED FORMULA CREST. BECAUSE ANY CAVITY YOU GET IS TOO MANY CAVITIES.

ADVANCED FORMULA
Crest.
TOOTH PASTE
NEW!
IMPROVED CAVITY PROTECTION
with Fluoristat

At first glance one cavity a year seems pretty good. Until you do some basic arithmetic: 1 cavity a year x 10 years = 10 holes in your kids' teeth. Is that what you want for your children?

We think you'll agree that any cavity you get is too many cavities. That's why we proudly announce a totally new Advanced Formula Crest with a new cavity-fighting system called Fluoristat.

The largest clinical studies ever conducted on a toothpaste showed that for every 4 cavities old Crest prevented, new Crest prevented almost 7. This dramatic improvement means now you can get fewer cavities with Crest than ever before. Naturally, you still have to brush, watch sweets and see your dentist.

Knowing all this, can you still be content with your kids getting only 1 cavity a year? After all, in 10 years, it'll be nothing to smile about.

"Crest has been shown to be an effective decay preventive dentifrice that can be of significant value when used in a conscientiously applied program of oral hygiene and regular professional care." Council on Dental Therapeutics, American Dental Association

©1981, The Procter & Gamble Company

Brush up on the evidence and you'll end up with Advanced Formula Crest on your brush.

		Advanced Formula **Crest**	*Brand A*	*Brand B*	*Brand C*
1.	The only toothpaste with Fluoristat,® the cavity-fighting system shown more effective than original Crest.	✓			
2.	The only fluoride toothpaste brand clinically proven to improve its cavity-fighting ability.	✓			
3.	The toothpaste proven effective in the largest clinical study ever for a toothpaste.	✓			
4.	The toothpaste with an effective fluoride.	✓	✓	✓	✓
5.	The toothpaste that freshens breath.	✓	✓	✓	✓
6.	The toothpaste that brightens teeth.	✓	✓	✓	✓
7.	The toothpaste more dentists' families use to fight cavities than any other.	✓			
8.	The cavity-fighting toothpaste that outsells any other.	✓			

"Crest has been shown to be an effective decay-preventive dentifrice that can be of significant value when used in a conscientiously applied program of oral hygiene and regular professional care." Council on Dental Therapeutics, American Dental Association

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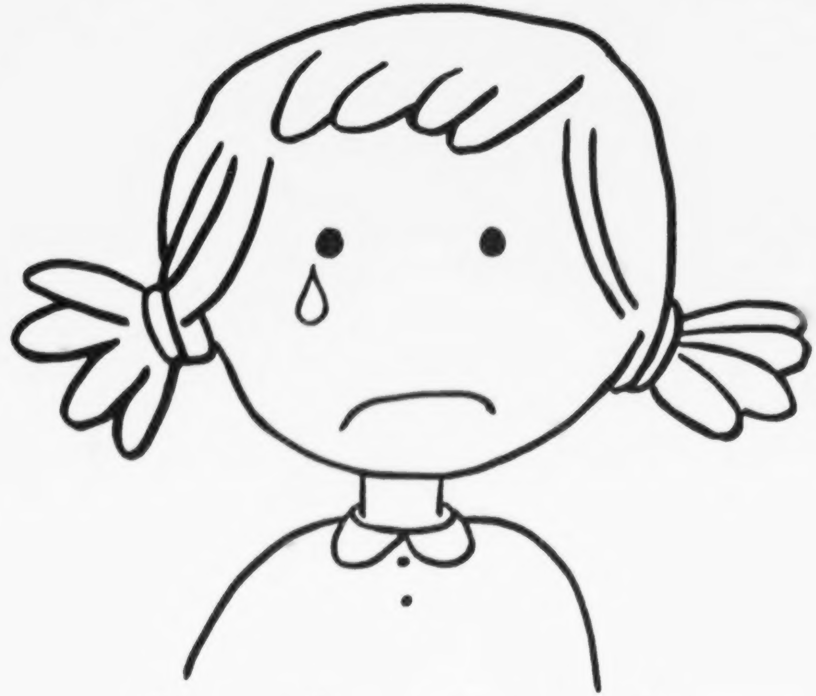
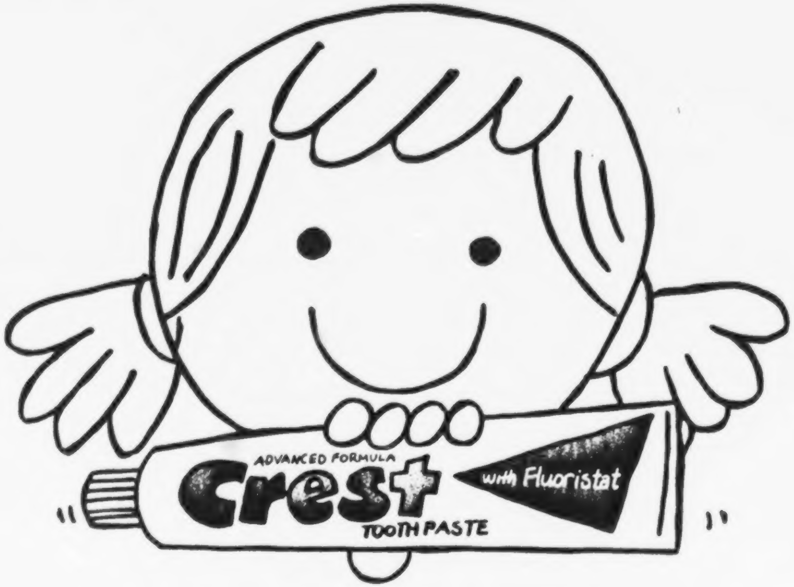
ADVANCED FORMULA
Crest
REGULAR FLAVOR
ADVANCED FORMULA
Crest
MINT FLAVOR
ADVANCED FORMULA
Crest
GREAT TASTING GEL

Fight cavities with the best Crest yet.



Once she gets a cavity, she's got it forever.


ADVANCED FORMULA
Crest
with Fluoristat
TOOTH PASTE

So, fight back with Advanced Formula Crest. It's the toothpaste more dentists' families use than any other.

Dentists know better than anyone that a filled tooth is not the same beautiful tooth nature gave her. So, do what you can to help prevent a cavity from ever happening. Visit your dentist regularly, watch sweets, and brush with Advanced Formula Crest with Fluoristat®—the formula that makes it the best Crest yet.

Working for the day when kids won't know what a cavity feels like.

Crest
GEL
Crest
Crest
REGULAR
TOOTH PASTE

Crest has been shown to be an effective decay preventive dentifrice that can be of significant value when used in a conscientiously applied program of oral hygiene and regular professional care. Council on Dental Therapeutics, American Dental Association

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This removes tartar.

This helps keep it from coming back.

Crest
REDUCES TARTAR BUILD-UP
AVITIES

Introducing New Tartar Control Crest.

Once, the only way to fight tartar was to go to your dentist or hygienist twice a year and have it scraped off your teeth. And no sooner was it gone, then it started coming back again.

But now, a revolutionary toothpaste helps keep ugly tartar from coming back between dental visits. New Tartar Control Crest.

GENTLE TO ENAMEL

Tartar Control Crest is the first toothpaste clinically proven by dentists to fight both cavities and tartar. It has a patented formula that's as gentle to enamel as ordinary toothpastes' and safely fights tartar before it has the chance to form.

TARTAR IS TOUGHER THAN PLAQUE.

Unlike plaque, which is a soft film, tartar is hard and crusty. So while proper brushing with a toothbrush and toothpaste (like Crest) has always been able to help remove plaque, no toothpaste could help stop tartar. Until now...with Tartar Control Crest.

ADA APPROVED

Tartar Control Crest provides the same cavity-fighting fluoride protection as regular Crest. Just like regular Crest, it is accepted by the American Dental Association.

ASK YOUR DENTIST

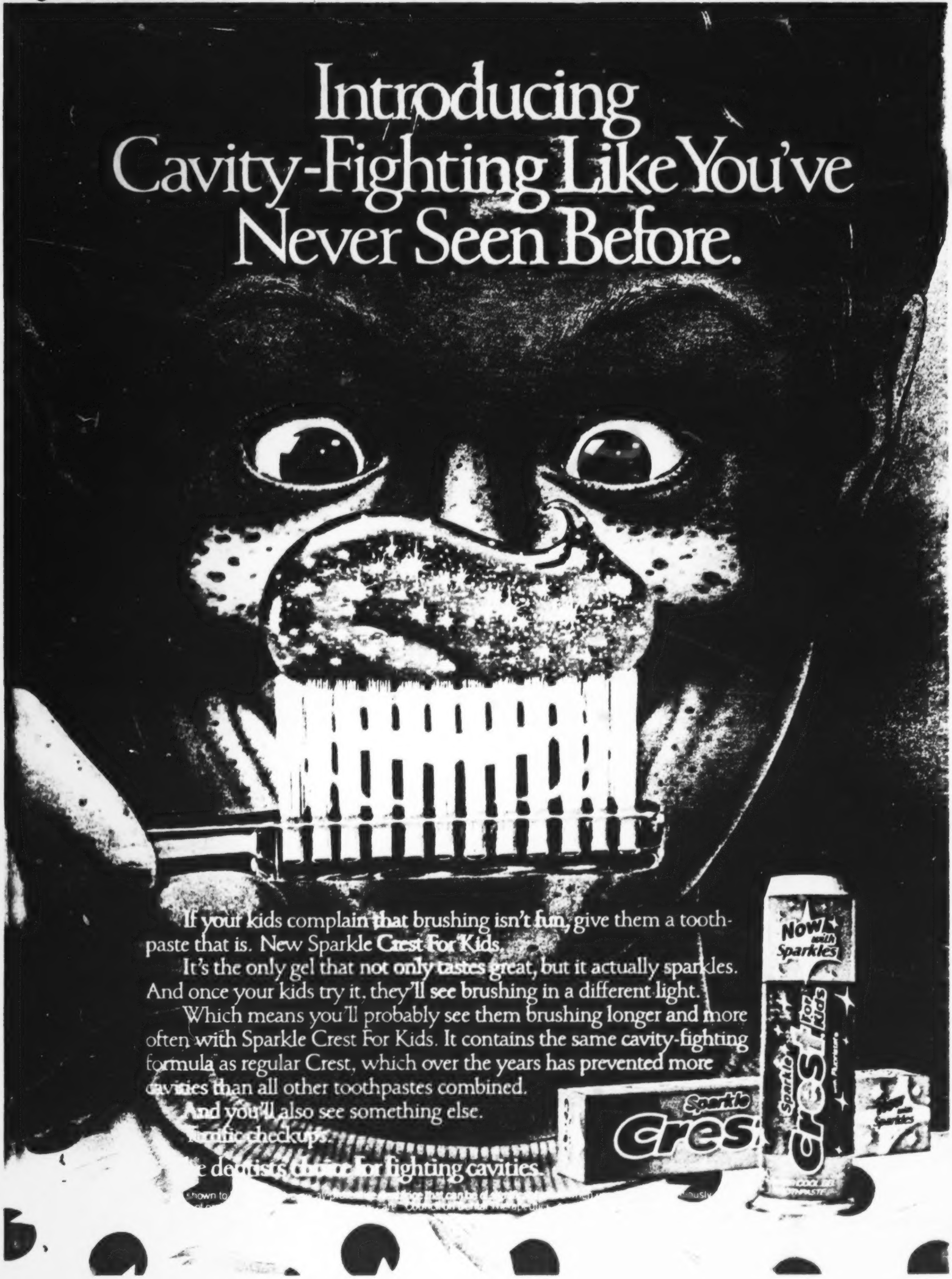
If you have any questions, ask the experts...your dentist and hygienist. They'll explain to you the problem of tartar (also called calculus).

Try new Tartar Control Crest. And fight tartar every time you brush.

Crest
Crest
Crest
Crest

It turns your toothbrush into a tartar-fighting tool.

"Crest has been shown to be an effective decay preventive dentifrice that can be of significant value when used in a conscientiously applied program of oral hygiene and regular professional care." Council on Dental Therapeutics, American Dental Association. © P&G 198[illegible]



Introducing Cavity-Fighting Like You've Never Seen Before.

If your kids complain that brushing isn't fun, give them a toothpaste that is. New Sparkle Crest For Kids.

It's the only gel that not only tastes great, but it actually sparkles. And once your kids try it, they'll see brushing in a different light.

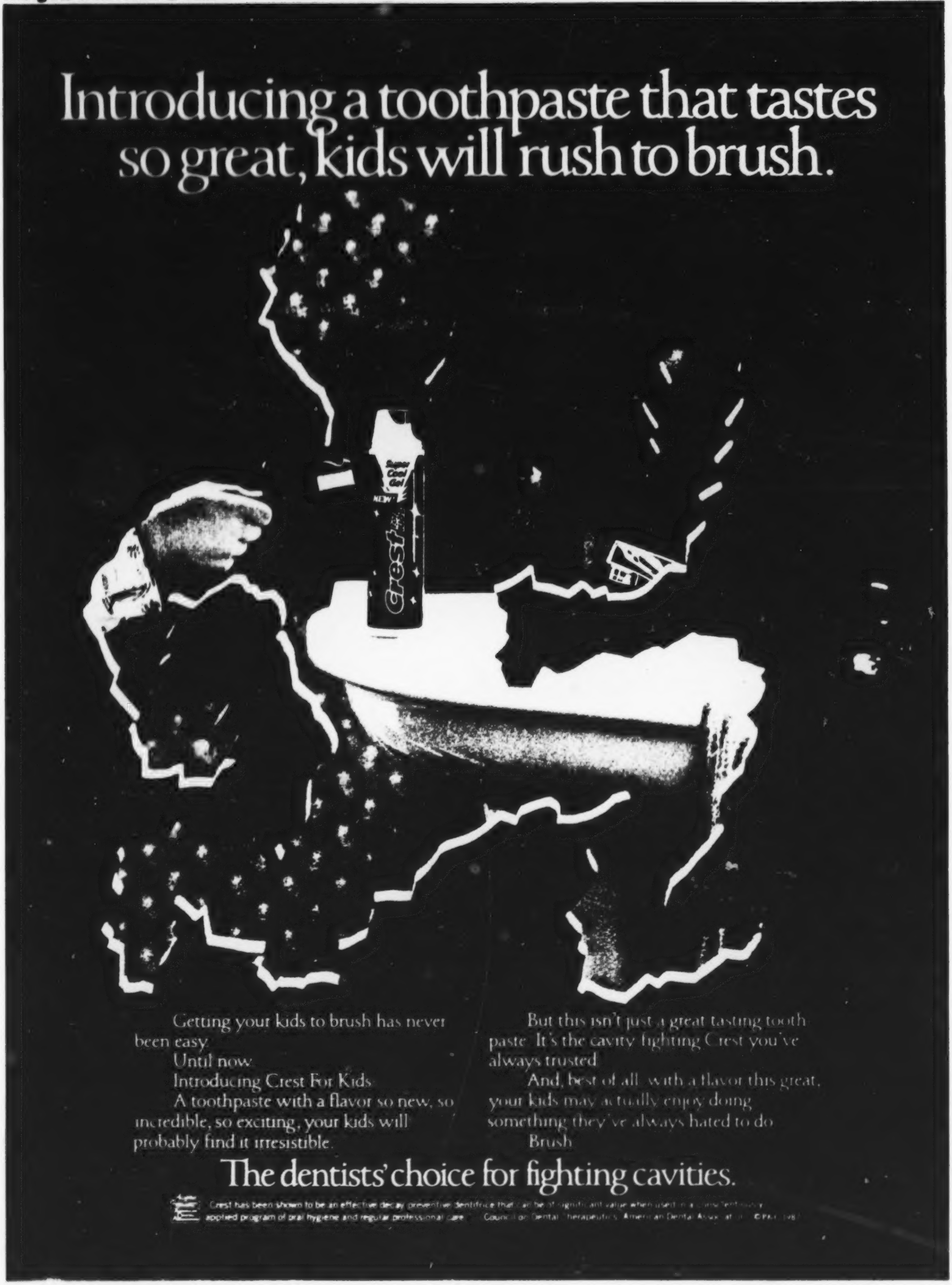
Which means you'll probably see them brushing longer and more often with Sparkle Crest For Kids. It contains the same cavity-fighting formula as regular Crest, which over the years has prevented more cavities than all other toothpastes combined.

And you'll also see something else.

Terrific checkups.

The dentists' choice for fighting cavities.

Shown to [illegible]



Introducing a toothpaste that tastes so great, kids will rush to brush.

Getting your kids to brush has never been easy.

Until now.

Introducing Crest For Kids.

A toothpaste with a flavor so new, so incredible, so exciting, your kids will probably find it irresistible.

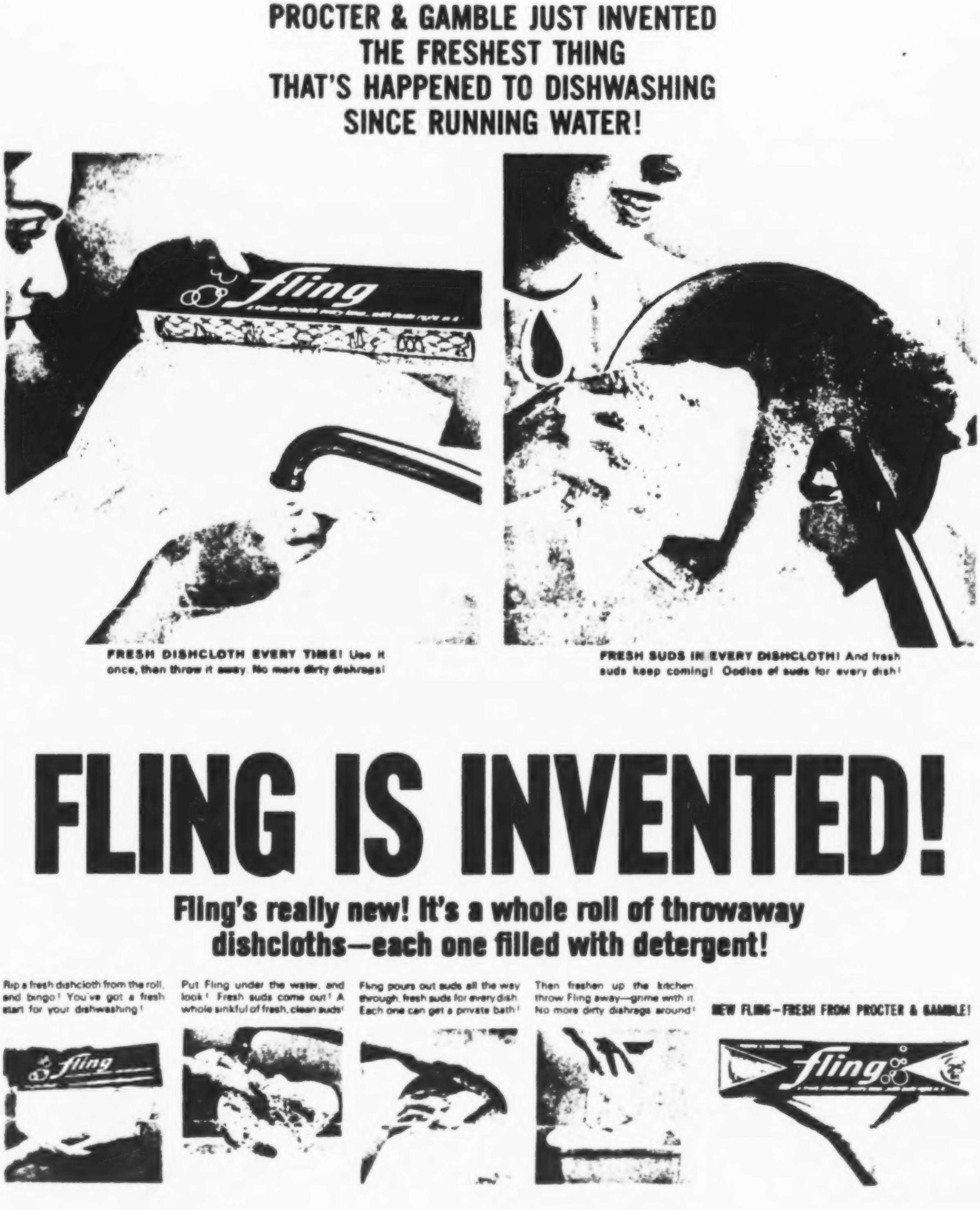
But this isn't just a great tasting toothpaste. It's the cavity fighting Crest you've always trusted.

And, best of all, with a flavor this great, your kids may actually enjoy doing something they've always hated to do.

Brush.

The dentists' choice for fighting cavities.

Crest has been shown to be an effective decay preventive dentifrice that can be of significant value when used in a conscientiously applied program of oral hygiene and regular professional care. Council on Dental Therapeutics, American Dental Association. © P&G [illegible]


fling
fling
fling

PROCTER & GAMBLE JUST INVENTED
THE FRESHEST THING
THAT'S HAPPENED TO DISHWASHING
SINCE RUNNING WATER!

FRESH DISHCLOTH EVERY TIME! Use it once, then throw it away. No more dirty dishrags!

FRESH SUDS IN EVERY DISHCLOTH! And fresh suds keep coming! Oodles of suds for every dish!

FLING IS INVENTED!

Fling's really new! It's a whole roll of throwaway dishcloths—each one filled with detergent!

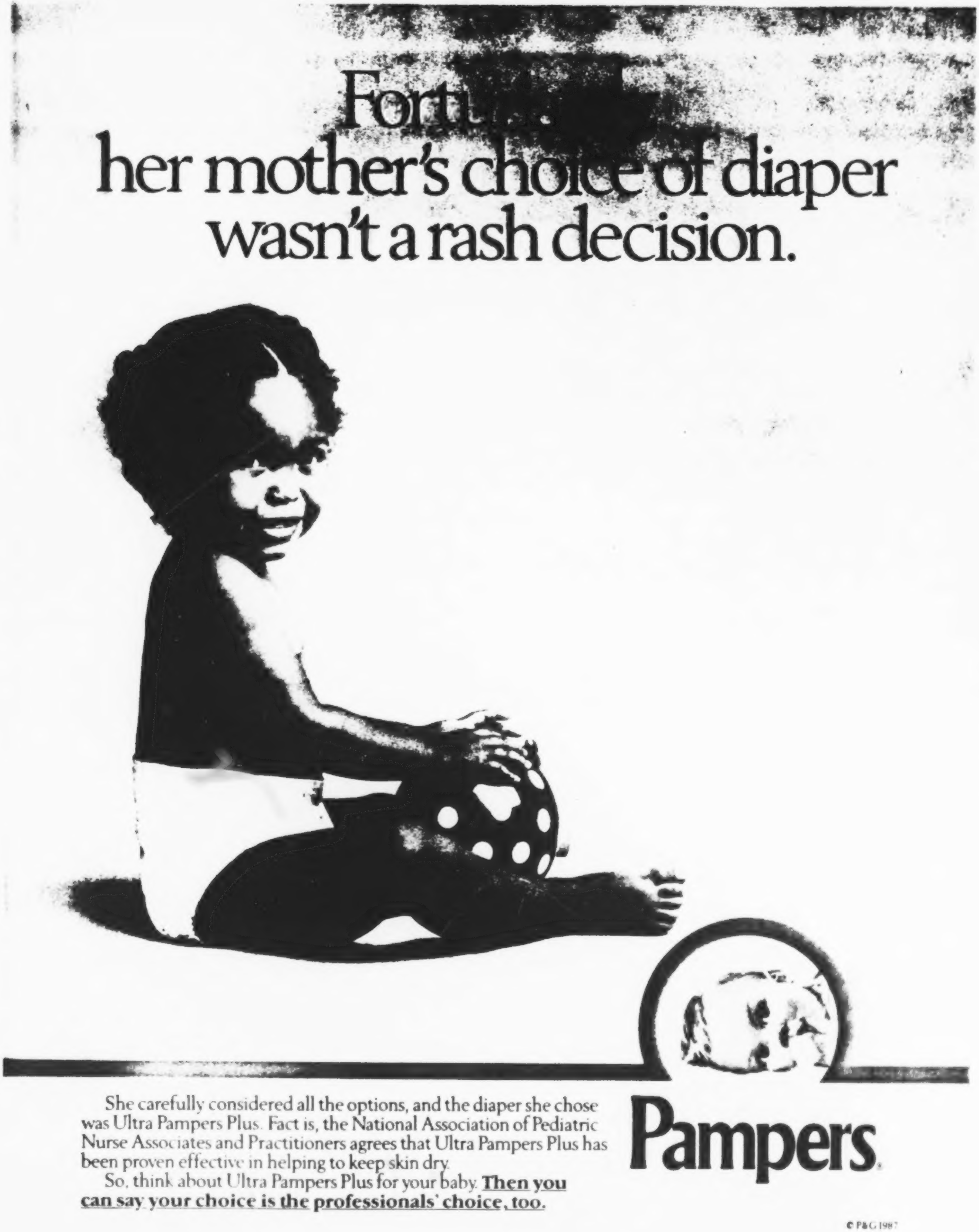
Rip a fresh dishcloth from the roll, and bingo! You've got a fresh start for your dishwashing!

Put Fling under the water, and look! Fresh suds come out! A whole sinkful of fresh, clean suds!

Fling pours out suds all the way through, fresh suds for every dish. Each one can get a private bath!

Then freshen up the kitchen throw Fling away—grime with it. No more dirty dishrags around!

NEW FLING—FRESH FROM PROCTER & GAMBLE!

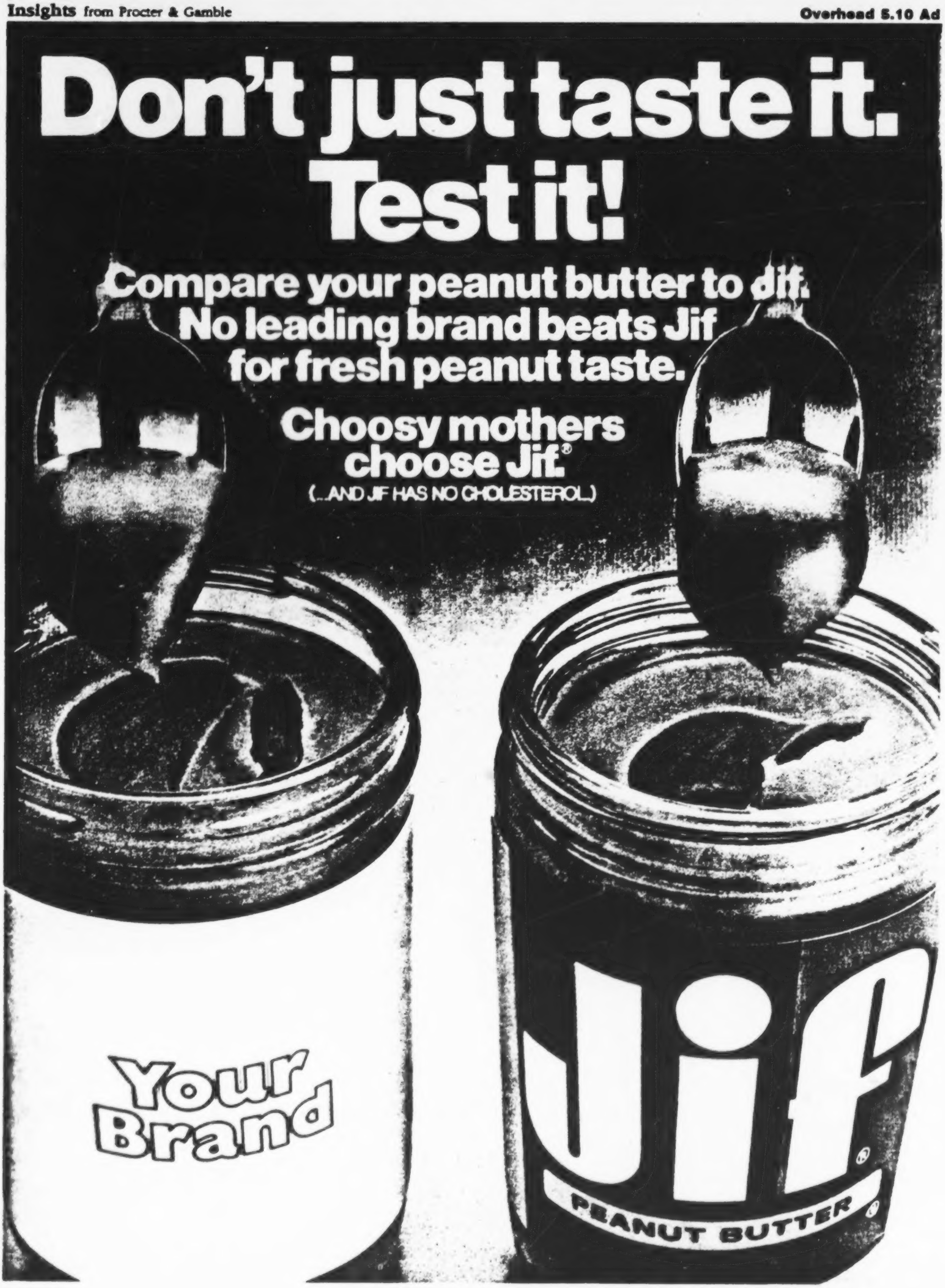


Fortu[illegible]
her mother's choice of diaper
wasn't a rash decision.

She carefully considered all the options, and the diaper she chose was Ultra Pampers Plus. Fact is, the National Association of Pediatric Nurse Associates and Practitioners agrees that Ultra Pampers Plus has been proven effective in helping to keep skin dry.

So, think about Ultra Pampers Plus for your baby. **Then you can say your choice is the professionals' choice, too.**

© P&G 1987



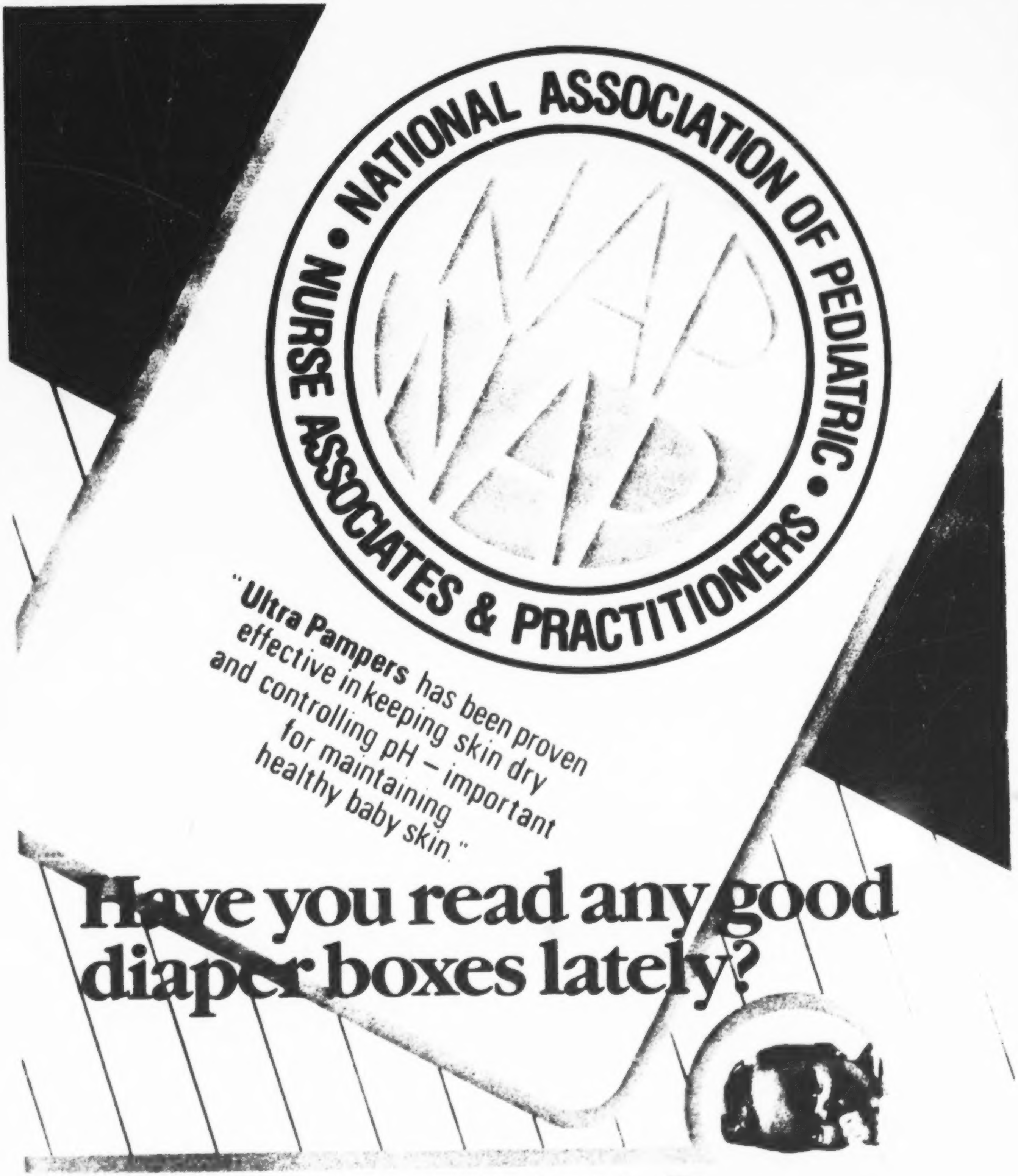
Don't just taste it. Test it!

Compare your peanut butter to Jif. No leading brand beats Jif for fresh peanut taste.

Choosy mothers choose Jif.®

(...AND JIF HAS NO CHOLESTEROL.)

Your Brand
Jif®
PEANUT BUTTER


• NATIONAL ASSOCIATION OF PEDIATRIC NURSE ASSOCIATES & PRACTITIONERS •
NAP
NAP

"**Ultra Pampers** has been proven effective in keeping skin dry and controlling pH – important for maintaining healthy baby skin."

Have you read any good diaper boxes lately?

Got a baby? Then an Ultra Pampers box is definitely required reading. Each one proudly wears the seal of acceptance of the *National Association of Pediatric Nurse Associates and Practitioners.* It's pictured above. Take a second to read it. ©P&G, [illegible]

Your choice is the professionals' choice, too.

Pampers

Arrow made your shirts to be washed... not washed out.

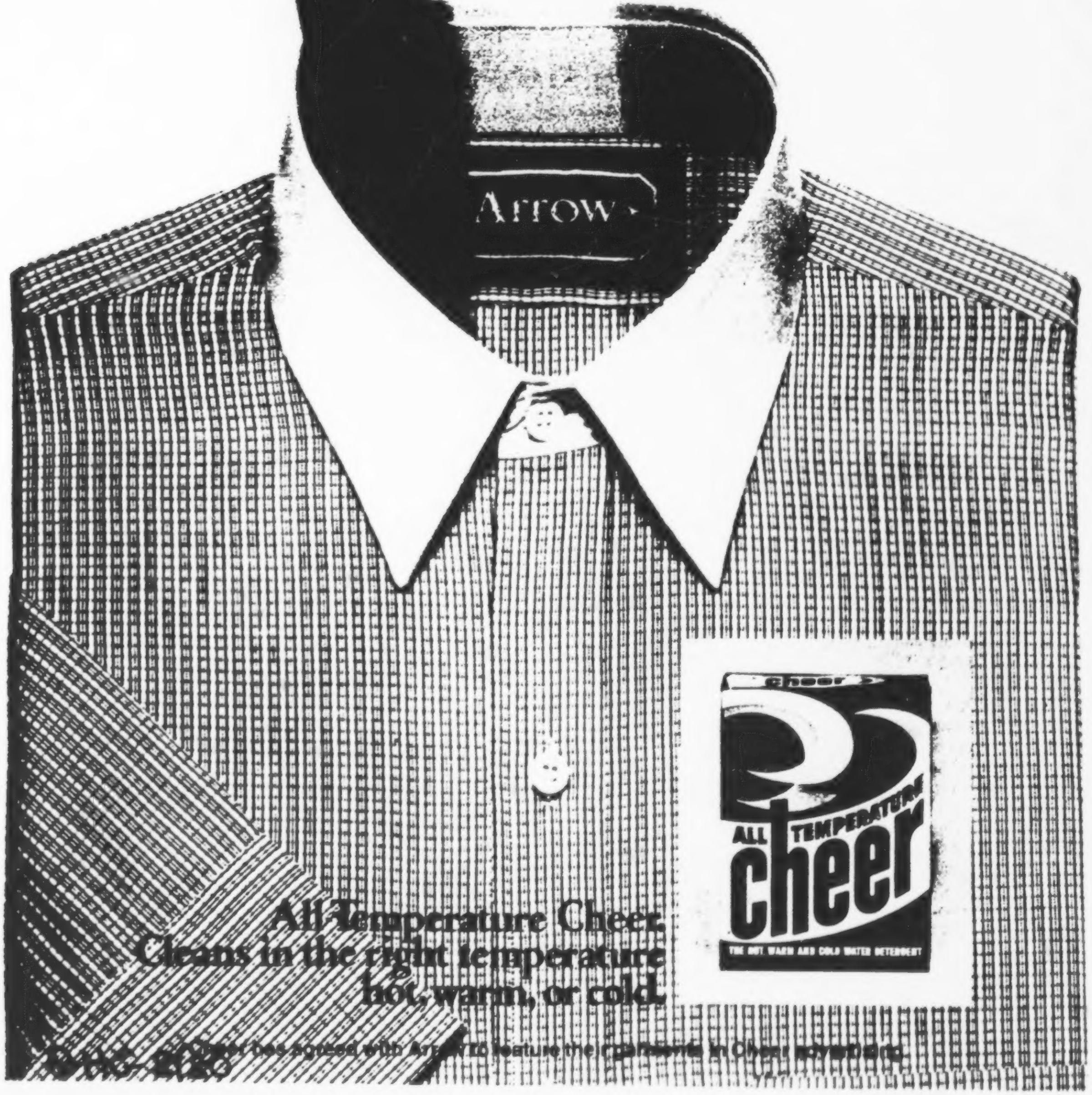
That's [illegible] trust washing the All-Temperature Cheer way.

Arrow [illegible] look your best all the time. So [illegible] their shirts to fit good, feel goo[illegible] like a classic every time you put [illegible] they know that washing them [illegible] ater temperature will help [illegible] ts looking their best. So Arrow [illegible] g the All-Temperature Cheer [illegible]

Cheer does [illegible] cleaning in all three temperatu[illegible] rm, and cold. Hot to clean your [illegible] m for your permanent press, [illegible] help protect bright colors from fading. But Cheer does more. It even contains a special ingredient that helps reduce wrinkling.

In fact, Arrow thinks washing right is so important, they are sewing a special care label inside their shirts. It will approve the use of All-Temperature Cheer and remind you to wash in the right temperature.

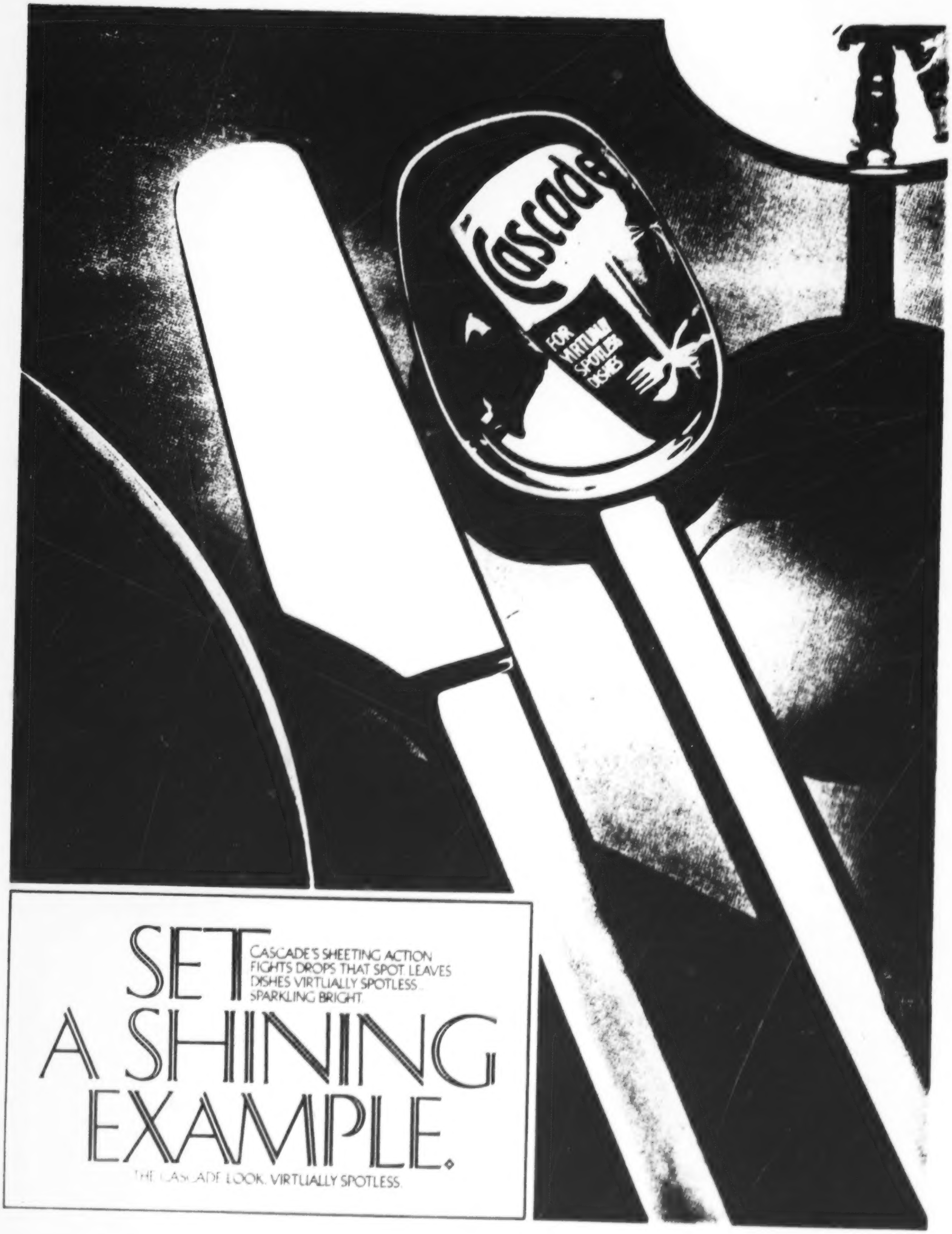
Cheer. It's three temperatures, one detergent. Because the kind of clean you get with All-Temperature Cheer can help keep your shirts looking well-dressed.



All-Temperature Cheer.
Cleans in the right temperature
hot, warm, or cold.

[illegible] has agreed with Arrow to feature the [illegible] in Cheer advertising.

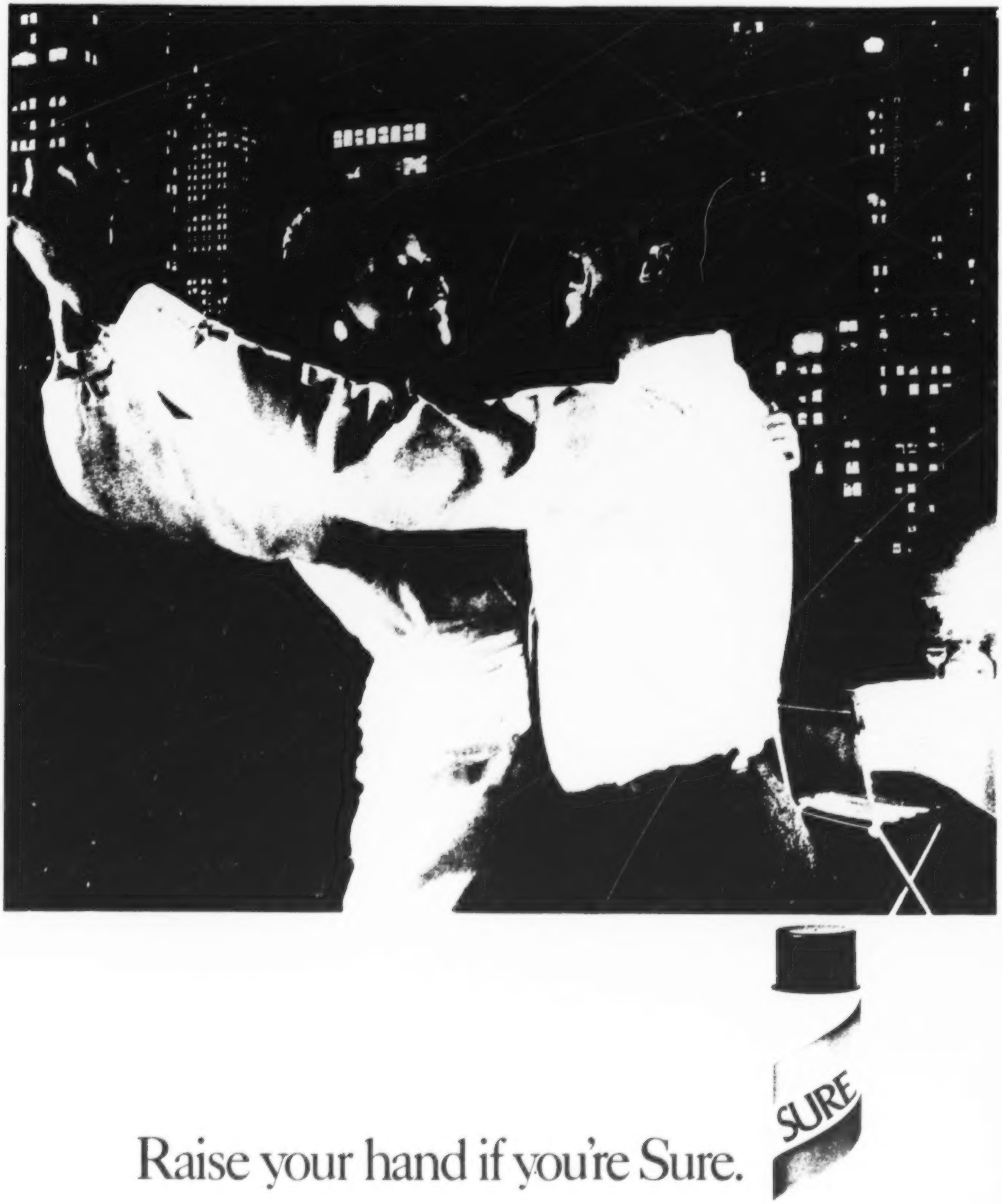
[illegible]


Cascade
FOR VIRTUALLY SPOTLESS DISHES

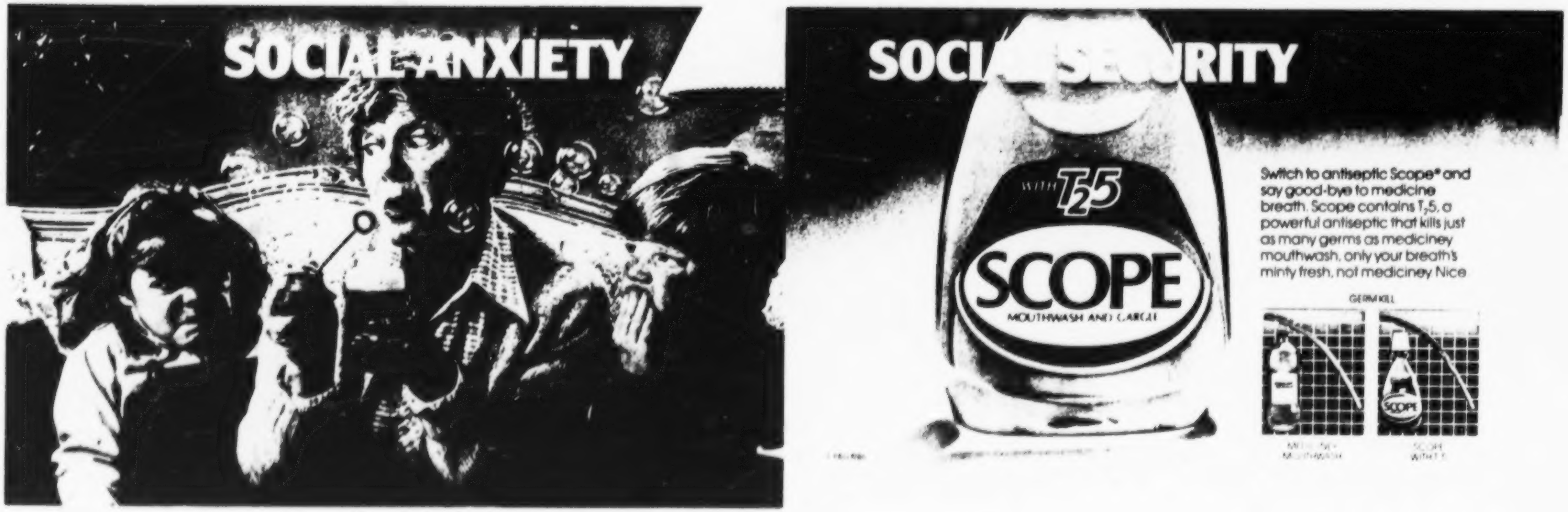
SET A SHINING EXAMPLE.

CASCADE'S SHEETING ACTION FIGHTS DROPS THAT SPOT. LEAVES DISHES VIRTUALLY SPOTLESS... SPARKLING BRIGHT.

THE CASCADE LOOK. VIRTUALLY SPOTLESS.



SURE
Raise your hand if you're Sure.


SOCIAL ANXIETY
SOCIAL SECURITY
WITH T25
SCOPE
MOUTHWASH AND GARGLE
GERM KILL
MEDICINEY MOUTHWASH
SCOPE WITH T25

Switch to antiseptic Scope® and say good-bye to medicine breath. Scope contains T_25, a powerful antiseptic that kills just as many germs as mediciney mouthwash, only your breath's minty fresh, not mediciney Nice